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Footwear
(Men's, Women's, Boys', Girls')

FAIRCHILD FACT FILE

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FOOTWEAR (MEN'S, WOMEN'S, BOYS' & GIRLS')

Market Trends

At the onset of the year 1987, U.S. footwear industry analysts, in reviewing the outlook, saw problems with high inventories and a complex trade situation, as well as a need for quicker market response and a better understanding of consumer markets. These problems continue to absorb the efforts of the domestic industry.

As the year progressed, import growth overall in the first seven months was almost flat, with a total of 593 million pairs of nonrubber footwear imported in the 1987 period compared with 589.3 million in the same 1986 period. However, 1986 import figures had established record levels. Imports of rubber/canvas footwear in the 1987 period were up 14.5% over the first six months of 1986.

In September 1987, the House of Representatives passed textile-footwear quota legislation. The Textile and Apparel Trade Act of 1987 calls for the imposition of global quotas on all categories of nonrubber footwear, with quotas to be permanently frozen at 1986 levels. The Bill must now be passed by a two-thirds majority in the Senate, then survive a very probable Presidential veto. Retailers and importers, who are against trade restrictions, feel fairly confident that there will not be enough supporters in the House to override a veto, unless trade or economic conditions substantially worsen, and the latter possibility looms larger with the decline in the stock market. An Omnibus Trade Bill under consideration in the Senate contains language that would make it easier for domestic footwear manufacturers to be granted relief from unfairly traded imports under Section 201 of the U.S. trade law.

U.S. production of footwear in the first seven months of 1987 dropped 9.4% below the comparable 1986 period. A resurgence in demand for sneakers, however, helped producers of rubber canvas footwear to increase production 15%, while imports went up by almost the same percentage.

Total employment in the domestic nonrubber footwear industry in the first half of 1987 averaged 6.6% below the average in the same 1986 period, but hourly earnings gained 2.7%.

Due entirely to imports, total market supply of nonrubber footwear (new supply) in the first six months of 1987 grew slightly compared with the 1986 period in terms of quantity, but value was up due to higher prices. As of June 1987, the consumer price index for all footwear was up 4.2% over the June 1986 level, with the index for women's styles up 4.5%.

In the first seven months of this year, shoe stored chalked up a gain of 10.6% compared with sales in the first seven months of 1986 (in current dollars), indicating a real increase -- over and above price increases.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

Industry data in this section is drawn primarily from government sources within the Department of Commerce and the Department of Labor. A basic source for industry statistics is the complete census of all manufacturers with payroll which is conducted by the Census Bureau every five years. The most recent census covered operations in the year 1982. In intervening years, the Census Bureau conducts an annual survey among a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity. Another Department of Commerce source, the International Trade Administration, develops information on annual growth rates and projections in terms of current and constant dollar values.

GENERAL INDUSTRY STATISTICS

Industry Profile

Trends in the Footwear Industry

	Compound Annual Rate of Change		Percent Change (e)	
	1972-1984	1979-1984	1986/1985	1987/1986
Nonrubber footwear industry*				
Value of industry shipments				
Current dollars				
Industry total	+ 3.4%	+ 1.7%	-11.4%	nr
House slippers	+ 4.2	- 1.0	- 0.8	nr
Men's footwear	+ 4.7	+ 2.6	- 6.0	nr
Women's footwear	+ 2.1	+ 2.0	-22.1	nr
Footwear, nec	+ 2.8	- 0.6	- 5.1	nr
Constant 1982$				
Industry total	- 2.8	- 1.5	-11.7	- 4.8
House slippers	- 1.6	- 3.8	- 7.7	- 2.2
Men's footwear	- 2.5	- 0.6	- 6.9	- 4.0
Women's footwear	- 3.5	- 1.5	-20.6	- 6.0
Footwear, nec	- 2.4	- 3.4	- 6.0	- 6.1
Total employment	- 4.5	- 6.1	- 5.9	nr
Rubber/plastics footwear industry				
Value of industry shipments*				
Current dollars	+ 1.1	+ 4.9	-14.1	nr
Constant (1982$)	- 3.3	+ 2.7	-11.5	- 4.7
Total employment	- 6.0	- 3.0	-11.2	nr

nr not reported
nec not elsewhere classified
(e) estimated
* Value of all products and services sold by plants classified in this industry.

Source: U.S. Department of Commerce:
International Trade Administration,
1987 U.S. Industrial Outlook.

The U.S. Manufacturing Industry By Type of Footwear: 1982, 1984, 1985

	1985	1984	1982(r)	% Change 1985/82
NONRUBBER FOOTWEAR, TOTAL (SIC 314*)				
Number of companies	na	na	na#	--
Number of establishments##	na	681	751	--
With 20 or more employees	na	489	536	--
All employees (thous.)	86.1	101.3	121.4	- 29.1%
Production workers (thous.)	75.7	88.9	107.4	- 29.5
Payroll (mil. $)	$1,002.8	$1,125.8	$1,250.0	- 19.8
Value added by manufacture (mil. $)**	2,357.2	2,602.8	2,808.9	- 16.1
Value of industry shipments (mil. $)***	4,448.1	4,883.2	5,269.3	- 15.6
Capital expenditures, new (mil. $)	53.3	63.8	65.6	--
Machinery equipment	na	na	47.3	--

(continued)

GENERAL INDUSTRY STATISTICS

Industry Profile (continued)

The U.S. Manufacturing Industry By Type of Footwear: 1982, 1984, 1985
(continued)

	1985	1984	1982(r)	% Change 1985/82
MEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3143*)				
Number of companies	na	na	129	--
Number of establishments#	na	188	203	--
With 20 or more employees	na	146	159	--
All employees (thous.)	34.9	40.1	46.5	-24.9%
Production workers (thous.)	30.8	35.3	40.7	-24.3
Payroll (mil. $)	$ 435.9	$ 472.7	$ 503.1	-13.4
Value added by manufacture (mil. $)**	1,051.4	1,118.9	1,101.4	- 4.5
Value of industry shipments (mil. $)***	2,070.5	2,230.6	2,261.4	- 8.4
Capital expenditures, new (mil. $)	28.9	28.0	28.3	+ 2.1
Machinery & equipment	na	na	18.8	--
WOMEN'S FOOTWEAR, EXCEPT ATHLETIC (SIC 3144*)				
Number of companies	na	na	209	--
Number of establishments#	na	247	293	--
With 20 or more employees	na	203	226	--
All employees (thous.)	34.3	40.7	48.4	-29.1
Production workers (thous.)	30.3	36.1	43.4	-30.2
Payroll (mil. $)	$ 378.8	$ 431.2	$ 483.1	-21.6
Value added by manufacture (mil. $)**	919.6	987.1	1,107.0	-16.9
Value of industry shipments (mil. $)***	1,613.0	1,728.1	1,933.2	-16.6
Capital expenditures, new (mil. $)	12.3	23.2	20.2	-39.1
Machinery & equipment	na	na	17.0	--
HOUSE SLIPPERS (SIC 3142*)				
Number of companies	na	na	53	--
Number of establishments#	na	54	62	--
With 20 or more employees	na	37	44	--
All employees (thous.)	5.7	6.5	7.5	-24.0
Production workers (thous.)	4.9	5.4	6.4	-23.4
Payroll (mil. $)	$ 62.5	$ 66.8	$ 71.3	-12.3
Value added by manufacture (mil. $)**	112.3	133.6	149.7	-25.0
Value of industry shipments (mil. $)***	223.2	248.4	275.8	-19.1
Capital expenditures, new (mil. $)	4.2	4.1	3.1	+35.5
Machinery & equipment	na	na	2.4	--
FOOTWEAR, EXCEPT RUBBER, NOT ELSEWHERE CLASSIFIED (SIC 3149*)				
Number of companies	na	na	167	--
Number of establishments#	na	169	193	--
With 20 or more employees	na	100	107	--
All employees (thous.)	11.2	14.0	19.1	-41.4
Production workers (thous.)	9.7	12.1	16.8	-42.3
Payroll (mil. $)	$ 125.6	$ 155.2	$ 192.7	-34.8
Value added by manufacture (mil. $)**	274.0	362.2	450.9	-39.2
Value of industry shipments (mil. $)***	541.4	676.2	789.9	-32.2
Capital expenditures, new (mil. $)	7.9	8.6	14.0	-43.6
Machinery & equipment	na	na	9.2	--

(continued)

GENERAL INDUSTRY STATISTICS

Industry Profile (continued)

The U.S. Manufacturing Industry By Type of Footwear: 1982, 1984, 1985
(continued)

	1985	1984	1982(r)	% Change 1985/82
RUBBER/PLASTICS FOOTWEAR (SIC 3021*)				
Number of companies	na	na	53	--
Number of establishments#	na	59	65	--
With 20 or more employees	na	36	40	--
All employees (thous.)	12.0	15.0	17.6	-31.8%
Production workers (thous.)	9.7	12.4	15.0	-35.3
Payroll (mil. $)	$ 161.1	$ 181.8	$ 196.5	-18.0
Value added by manufacture (mil. $)**	318.0	340.9	360.1	-11.7
Value of industry shipments (mil. $)***	647.2	681.3	706.2	- 8.4
Capital expenditures, new (mil. $)	8.4	23.0	12.4	-32.2
Machinery & equipment	na	na	11.4	--
BOOT & SHOE CUT STOCK & FINDINGS (SIC 3131*)				
Number of companies	na	na	149	--
Number of establishments#	na	148	161	--
With 20 or more employees	na	78	80	--
All employees (thous.)	5.4	6.0	6.8	-20.6%
Production workers (thous.)	4.7	5.1	5.7	-17.5
Payroll (mil. $)	$ 64.5	$ 73.8	$ 80.8	-20.2
Value added by manufacture (mil. $)**	111.1	128.3	154.7	-28.2
Value of industry shipments (mil. $)***	277.3	313.8	367.8	-24.6
Capital expenditures, new (mil. $)	2.9	2.8	6.0	-51.7
Machinery & equipment	na	na	5.0	--

na not available
(r) revised

# In the 1982 Enterprise Statistics report issued by the Census Bureau a total of 481 companies classified in the Footwear, Except Rubber, Industry were reported. Of this total, 437 were single-industry companies (operating only within this industry classification) and 44 were multi-industry companies. In Enterprise Statistics, companies are classified according to their owning firm's primary industry activity. In the Industry Series, a source for the above table and other tables in this Fact File, information is on an establishment (plant) basis. Each plant is separately classified by industry, based on its primary product, regardless of company ownership. Company counts, therefore, include some companies which are not primarily footwear companies.

## Each manufacturing location is counted as a separate establishment (plant). Auxiliary locations (such as sales offices, warehouses, etc.) are not included in the above table.

* Manufacturing plants are classified by industry under the Standard Industrial Classification (SIC) System determined by the principal product, as shown below. (SIC 314 is a composite of industries in SIC 3142, -43, -44, -49).

GENERAL INDUSTRY STATISTICS

Industry Profile (continued)

Industry Definitions:

SIC 3143	Establishments primarily engaged in the production of men's dress and casual shoes, boots and work shoes -- much of these are all leather.
SIC 3144	Establishments primarily engaged in the production of women's dress and casual shoes, sandals and boots. Much of the footwear produced by these plants is primarily of leather.
SIC 3142	Establishments primarily engaged in the production of house slippers made of leather or other materials. Slipper socks are included in this industry, if made from purchased socks.
SIC 3149	Establishments primarily producing footwear not classified in the above industries or in SIC 3021 (rubber and plastic). Included in SIC 3149 are shoes for infants and babies, children, misses, youths and boys. Also included are athletic shoes (except footwear with fabric uppers and rubber or plastic soles), theatrical shoes, and beach slippers.
SIC 3021	Establishments making all-rubber or all-plastic footwear, or footwear with rubber or plastic soles galvanized to the fabric uppers. There are two basic types of footwear included: (1) fabric upper espadrilles, sneakers (with fabric uppers), specialties designed for leisure wear (not including slippers), etc.; (2) protective footwear including boots, arctics, rubbers, etc., designed to be worn as a protection against water, oil, chemicals, cold weather, etc.
SIC 3131	Establishments primarily engaged in manufacturing leather soles, inner soles, and other boot and shoe cut stock findings. This industry also includes finished wood heels. It does not include manufacturers of shoe findings made of rubber, plastic, or fiber.

** Value added by manufacture is derived by subtracting the cost of finished products, materials, supplies, fuel, contract work, etc., from the value of shipments (including resales of finished products) plus the net change in the value of finished products and work-in-process inventories between the beginning and end of the year, without adjustment for price changes.

*** Value of industry shipments represents the total value of shipments of all establishments classified in the specified industry. The data includes the shipments of products classified in the industry (primary to the industry), products classified in other industries (secondary to the industry), and miscellaneous receipts (repair work, research and development, resales, etc.) This should be clearly distinguished from the specific value of footwear shipments by all manufacturers, including both primary and secondary producers which are classified in other industries. The value is covered in PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census 1982: Census of Manufactures (Industry Series MC82-1-30A, 31A); 1984, 1985 Annual Survey of Manufactures.

GENERAL INDUSTRY STATISTICS

Explanation of other terms used in this Fact File:

Nonrubber footwear: Includes shoes, boots and slippers made by "conventional" processes, such as cemented, welted, slip-lasted, etc., and shoes with rubber sole vulcanized to leather uppers. (Footwear covered in SIC 314.)

Rubber/plastic footwear: Footwear with rubber or plastic soles and fabric uppers, such as sneakers, and rubber or plastic protective footwear. (SIC 302.)

Sizes:
Men's shoes: sizes 6 and over, including big boys' shoes.
Youths' and boys' shoes: sizes 12 1/2 to 5 1/2.
Women's shoes: sizes 4 and over including growing girls' shoes.
Misses' shoes: sizes 12 1/2 to 3 1/2.
Children's shoes: sizes 8 1/2 to 12, including little boys' shoes.
Infants' shoes: size 0 to 8.

Note: In some cases, sources of information use age designations rather than size in classifying shoe types.

Employment/Earnings/Labor Costs

Census Bureau reports covering plants classified in the nonrubber footwear industry trace the decline in U.S. production worker levels. As of 1985, production worker employment in men's footwear plants averaged 43% below 1972; in women's footwear, production worker employment was down by more than half (-57%); in athletic and other footwear, it declined 62%; in house slippers, the loss was 30.9%.

On a current dollar basis, total payrolls in men's nonrubber footwear in 1985 were 16.6% above the 1972 total; in women's footwear, however, there was an 11% decline.

Production Worker Employment, Wages & Value Added By Manufacture, 1972-1985

Year	No. of Production Workers (thousands)	Total Wages (Mil. $)	Value Added By Manufacture (Mil. $)
Nonrubber footwear plants:			
Men's, except athletic			
1985	30.8	$ 336.8	$ 1,051.4
1984	35.3	368.4	1,118.9
1982	40.7	382.2	1,101.1
1977	49.2	332.2	871.9
1972	54.4	288.9	674.4
Women's except athletic			
1985	30.3	296.1	919.6
1984	36.1	338.9	987.1
1982	43.4	392.9	1,107.0
1977	51.3	315.6	755.0
1972	70.0	334.3	763.6

Employment/Earnings/Labor Costs (continued)

Production Worker Employment, Wages & Value Added By Manufacture, 1972-1985
(continued)

Year	No. of Production Workers (thousands)	Total Wages (Mil. $)	Value Added By Manufacture (Mil. $)
House slippers			
1985	4.9	$ 46.0	$ 112.3
1984	5.4	49.4	133.6
1982	6.4	51.7	149.7
1977	7.0	39.6	108.8
1972	7.1	33.4	85.7
Athletic footwear children's footwear, etc.			
1985	9.7	92.1	274.0
1984	12.1	110.1	363.2
1982	16.8	146.8	450.9
1977	21.8	135.1	333.7
1972	25.6	124.9	272.5

Source: U.S. Bureau of the Census: Census of Manufactures, Annual Surveys of Manufactures (Industry Series).

Information on a monthly and annual basis in employment, average hours and earnings, by industry is released by the U.S. Bureau of Labor Statistics. Averages on employment differ somewhat from the numbers issued by the Census Bureau due to differences in the methods used in compilation, but the trends are the same.

Total employment in the U.S. nonrubber footwear industry in 1986 averaged 89,700, which represented a decline of 9.7% from the 1985 average of 99,300. The number of production workers in the industry registered an average 75,500 in 1986 down 10.2%. This continues the decline in employment that has persisted since 1968.

The sharpest drop has been reported in employment in women's nonrubber footwear, where the 1986 level declined 30% compared with 1983, while it was down less than 22% in the men's footwear segment.

Total employment in rubber/plastics footwear in 1986 averaged 10,600, which was 18.5% lower than the 1985 average. Although demand for sneakers has picked up substantially, most of these shoes are sourced in the Far East, particularly Korea.

The decline in employment in domestic footwear production continues in 1987. In the first half of the year, total employment in the domestic nonrubber footwear industry averaged 86,300 -- 6.6% below the average in the same 1986 period. Production worker levels averaged 4.8% below the year-ago average for the first six months, while average weekly hours and average hourly earnings were higher -- up 4.7% and 2.7%, respectively, compared with January-June 1986.

Employment/Earnings/Labor Costs (continued)

Employment, Hours & Earnings: Annual Averages, 1983-1986
(Employment figures in thousands)

	Employment		Production Worker		
			Average Earnings		Average Weekly Hours
	Total	Production Workers	Weekly	Hourly	
Total footwear, nonrubber					
1986	89.7	75.5	$ 201.96	5.61	36.0
1985	99.3	84.1	202.40	5.53	36.6
1984	114.7	97.5	196.02	5.43	36.1
1983	126.0	107.3	190.77	5.27	36.2
Men's footwear, except athletic					
1986	39.8	31.8	214.44	5.99	35.8
1985	42.9	34.7	210.96	5.86	36.0
1984	48.0	38.9	208.42	5.71	36.5
1983	50.7	41.0	202.40	5.50	36.8
Women's footwear, except athletic					
1986	31.8	27.9	192.05	5.32	36.1
1985	35.4	31.0	195.57	5.30	36.9
1984	42.2	37.1	187.07	5.24	35.7
1983	47.9	42.5	185.24	5.16	35.9
Rubber/plastics footwear					
1986	10.6	9.0	234.42	5.98	39.2
1985	13.0	10.9	214.70	5.68	37.8
1984	16.4	14.0	210.26	5.35	39.3
1983	16.7	14.1	196.08	5.16	38.0

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

While average hourly pay in the footwear industry continues to rise, Census Bureau reports show the decline in total payrolls. The level in men's footwear in 1985 was about 12% lower than in 1982; in women's footwear plants, wage totals were down almost 25%; in athletic and other footwear, down 37%, as plants closed and employment declined.

From 1982 through 1986, 307 nonrubber footwear plants were closed, 63 were opened, according to Footwear Industries of America, for a net loss of 244 plants. Closings in 1986 numbered 70, 12 more than in 1985 but below the peak of 104 recorded in 1984.

Labor costs have been a major factor in the disparity between the price of imported footwear and the domestic product. U.S. manufacturers are reducing costs through consolidations and through the installation of new machinery and equipment, while closing small and inefficient plants.

GENERAL INDUSTRY STATISTICS

Employment/Earnings/Labor Costs (continued)

The devaluation of the U.S. dollar is affecting the price of imported footwear, particularly imports of fashion shoes from Europe, making these products more expensive in the U.S. As this trend continues, the pace in plant closings and rising employment in the U.S. footwear industry may slow, but, on the other hand, importers will seek out new, less-expensive sources of supply abroad.

The F.I.A. has compiled the following information on nonrubber footwear unit labor costs in the U.S. from 1975 through 1986.

Nonrubber Footwear Unit Labor Costs
1975-1986

Year	Wage/ Hour	Pairs/ Hour	Unit Labor Cost	Average Price/Pair	Labor Share %
1975	3.08	1.583	1.95	7.50	26.0
1976	3.28	1.516	2.16	8.28	26.1
1977	3.48	1.610	2.16	8.53	24.9
1978	3.75	1.581	2.37	9.20	25.8
1979	4.09	1.656	2.47	10.60	23.3
1980	4.42	1.656	2.67	12.00	22.3
1981	4.82	1.566	3.08	12.85	24.0
1982	5.12	1.709	3.00	13.43	22.3
1983(r)	5.27	1.679	3.14	14.03	22.4
1984(r)	5.43	1.657	3.28	14.31	22.9
1985	5.53	1.656	3.34	14.55	23.0
1986	5.61	1.708	3.28	14.65	22.4

(r) revised

Source: Compiled by F.I.A. from U.S. Department of Labor, Bureau of Labor Statistics and U.S. Department of Commerce, Bureau of the Census data.

Unemployment rates in the footwear industry; which had been declining since the peak rate of 18.8 was reached in 1982, turned up in 1986. However, they are still well below the 1982-1984 rates. Much of the decline is attributed to the fact that dismissed workers in the industry have sought employment in other industries.

Nonrubber Footwear Unemployment
1975-1986

Year	Number of Unemployed Workers	Unemployment Rate
1975	27,000	13.2
1976	24,000	11.0
1977	24,000	10.7
1978	17,000	8.2
1979	17,000	8.0
1980	16,000	7.7
1981	27,000	12.5
1982	41,000	18.8
1983	37,000	18.6
1984	27,000	16.6
1985	18,000	15.0
1986	18,000	15.4

Source: U.S. Department of Labor, Bureau of Labor Statistics.

GENERAL INDUSTRY STATISTICS

Employment/Earnings/Labor Costs (continued)

Monthly Pattern in Footwear Industry Production Worker Employment, 1985, 1986
Index: Monthly Averages For Year = 100)

	Nonrubber Footwear Industry*				Rubber/Plastics Footwear Industry	
	Men's		Women's			
	1986	1985	1986	1985	1986	1985
Year	100.0	100.0	100.0	100.0	100.0	100.0
January	104.4	103.8	105.5	102.9	104.0	106.2
February	102.8	101.2	102.7	97.1	105.9	104.4
March	101.6	100.6	100.3	94.2	105.9	104.4
April	100.9	100.6	100.3	95.2	103.0	103.5
May	100.6	100.6	100.0	100.0	100.0	105.3
June	100.0	101.4	98.6	103.2	99.0	102.6
July	92.8	93.6	91.8	96.2	90.1	96.5
August	103.1	101.2	101.7	104.5	96.0	96.5
September	100.3	99.7	98.6	102.9	95.0	93.8
October	97.8	99.1	100.3	100.9	98.0	93.8
November	99.1	98.8	101.0	101.9	100.0	95.6
December	97.8	99.1	100.3	101.9	97.0	95.6

* Not including athletic footwear

Source: Based on Bureau of Labor Statistics reports.

Industry Concentration

The larger U.S. footwear producers have responded to competition from imports by closing plants, consolidating production and increasing efficiency in fewer plants, as well as expanding retailing operations and importing their own lines of branded footwear. Small companies, unable to take these measures for survival, have closed. Thus the domestic footwear industry is smaller and more concentrated among large companies.

In 1984, according to latest U.S. International Trade Commission data, there were an estimated 222 companies with 10 or more employees in plants producing nonrubber footwear. Two out of three made less than 1 million pairs annually and together these small producers accounted for only 19% of domestic production.

In contrast, 10% of the largest companies--each producing over 4 million pairs annually -- accounted for 51% of total production. In 1985, the top 20 nonrubber footwear producers captured 52% of total U.S. production, up from 48% in 1984.

In 1982, 53 U.S. companies operated 65 plants manufacturing rubber/plastic footwear. Under pressure from imports, U.S. operations in this labor-intensive industry have continued their long-term decline. The number of plants primarily producing rubber/plastics footwear is currently estimated to be below 50. There is, however, a resurgence in demand for sneakers, now made primarily in Korea.

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

In October 1986, the Census Bureau issued a special report, 1982 Enterprise Statistics which analyzed 1982 census of manufactures in terms of major activity of companies (owning firms) in contrast with plant (establishment) primary activity which determined the classification of companies for other 1982 census data covered in this Fact File. For example, it was reported that 681 companies operated one or more plants primarily manufacturing nonrubber footwear in 1982. However according to the enterprise approach, only 481 companies were primarily nonrubber footwear manufacturing companies.

These were distributed as follows in terms of sales and receipts for goods and services.

Company Statistics By Receipt Size Class: 1982

	Companies	Owned Establishments*	Employees (number)	Sales/ Receipts (mil. $)
Nonrubber Footwear				
All companies	81	5,428	136,651	$ 6,376.7
With sales/receipts ($1,000) of --				
Under $1,000	236	238	2,877	73.2
$1,000 - $2,499	69	70	3,591	111.1
$2,500 - $4,999	54	60	6,227	199.0
$5,000 - $9,999	37	52	7,933	254.0
$10,000 - $24,999	44	178	17,447	676.7
$25,000 - $49,999	23	97	15,587	828.2
$50,000 & over	18	4,733	82,989	4,234.5

* Includes both plants and auxiliary establishments (administrations, warehousing, etc.) but not sales offices, which are covered in wholesale trade reports issued by the Census Bureau.

Source: U.S. Bureau of the Census,
1982 Enterprise Statistics (ES82-1).

As indicated above, in 1982 there were 18 companies primarily in the nonrubber footwear industry. These companies accounted for 87% of the establishments, 61% of the employees, 66.4% of the sales and receipts reported for this group.

The following counts cover the number of manufacturers of specified footwear types which had shipments valued at $100,000 or more in 1982:

	Number of Companies
Nonrubber footwear:	
House slippers (except slipper socks)	36
Men's footwear:	
Work shoes, boots	36
Dress & casual boots	50
Dress & casual shoes (except athletic)	72
Women's footwear:	
Boots, ankle height or higher	52
Sandals, including fabric upper	55
Casual shoes, except sandals	100
Dress shoes	60

(continued)

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

Manufacturers with shipments valued at $100,000 or more in 1982:	Number of Companies
Youths', boys' shoes, except athletic	30
Infants', babies' shoes	41
Misses' shoes, except athletic	30
Children's shoes	45
Athletic shoes (not including rubber/canvas footwear whether for organized sports or street wear)	30
Nonrubber footwear n.e.c.	20
Rubber/plastics footwear:	
Protective footwear	14
Tennis, running, basketball, etc., espadrilles (soles vulcanized to fabric upper, not including sandals and slippers)	36

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Industry Series (MC82-1 30A, 31A).

The Census Bureau has also compiled information on the value of industry shipments and miscellaneous receipts accounted for by the 50 largest companies operating plants classified in various segments of the footwear industry. It should be noted that a company can be counted in more than one segment of the industry. In the nonrubber footwear industry, the increased concentration level of shipments was more pronounced among companies making women's footwear than men's footwear.

Share of Industry Shipments Accounted For By the Largest Manufacturing Companies: 1977, 1982

		Value of Shipments				
			% Share Accounted For by Largest Companies			
Industry	No. of Companies*	Total (mil. $)	Top 4	Top 8	Top 20	Top 50
Nonrubber footwear						
Men's except athletic						
1982	129	$2,261.4	28	45	74	96
1977	115	1,734.5	31	46	73	95
Women's, except athletic						
1982	209	1,933.2	38	47	64	84
1977	243	1,361.2	29	39	56	79
House slippers						
1982	53	275.8	60	76	94	nr
1977	65	201.2	44	64	87	99
Footwear nec						
1982	167	798.9	26	41	68	93
1977	159	594.8	24	41	68	91
Rubber/plastics footwear						
1982	53	706.2	39	61	94	100
1977	67	517.0	58	73	95	99+

nr not reported
nec not elsewhere classified
* Includes companies operating plants in the specified industry component.

Source: U.S. Bureau of the Census; 1982 Census of Manufactures: Concentration Ratios in Manufacturing, Subject Series (MC82-S-7).

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

In addition to 1982 census data the Census Bureau's annual County Business Pattern report provides information on the number of establishments by employment size for specific industries by county, as well as a U.S. summary covered below.

Establishments in the U.S. Footwear Industry By Employment-Size Class: 1983, 1984

	Nonrubber Footwear Industry				Rubber/Plastics Footwear Industry			
	Estabs*		Employees		Estabs*		Employees	
	1984	1983	1984	1983	1984	1983	1984	1983
Total number in the U.S.	681	714	107,560	112,913	59	66	15,003	16,049
Employment size class:								
Under 10	144	148	480	nr	20	19	61	1,287
10 to 49	133	133	3,493	3,262	10	12	291	
50 to 99	75	83	5,261	6,140	3	6	239	372
100 to 999	324	345	91,146	95,384	22	25	7,772	8,297
1,000 or more	5	5	7,180	nr	4	4	6,640	6,093

* An establishment is a physical location (plant) where business is conducted or industrial operations performed which is in operation anytime during the year.

nr not reported to avoid disclosure of individual operations.

Source: U.S. Bureau of the Census:
County Business Patterns 1983, 1984.

Location of the Industry

Maine had the largest number of footwear plants in the U.S. in 1985. In terms of production of nonrubber footwear, according to Footwear Industries of America (F.I.A.), the leading states in 1985 were Pennsylvania, Missouri, and Maine. However, as noted in the Production section, in 1986 Missouri slightly surpassed Pennsylvania in footwear output.

Nonrubber Footwear Plants in Leading States: 1976, 1985
(Production is in millions of pairs)

State	No. of Plants		Production		Employees (thous.)		Annual Wages (mil. $)	
	1985	1976	1985	1976	1985	1976	1985	1976
1. Pennsylvania	64	91	36.7	na	8.6	16.7	$105.9	$115.7
2. Missouri	54	67	32.0	44.5	14.6	18.2	179.9	125.6
3. Maine	67	76	25.4	na	12.0	16.2	150.3	110.5
4. Texas	58	36	17.8	10.9	5.0	3.9	67.9	27.1
5. Massachusetts	44	83	17.5	36.1	6.8	14.9	92.8	116.4
6. Tennessee	33	42	15.7	34.0	8.2	18.6	95.9	134.4
7. New York	50	80	15.2	38.5	6.2	10.2	85.0	85.8
8. Florida	30	19	12.3	na	0.6	1.4	6.1	9.7
9. Arkansas	19	31	12.2	20.8	4.9	8.5	57.3	53.7
10. Ohio	13	18	10.7	na	3.2	5.4	56.3	46.9

na not available

Source: Footwear Industries of America (F.I.A.) based on
Department of Commerce and Department of Labor reports.

GENERAL INDUSTRY STATISTICS

Location of the Industry (continued)

As previously noted, 307 nonrubber footwear plants were closed in the 1982-1986 period. The greatest number occurred in Massachusetts (33), followed by closings in Maine (30), Tennessee (29), New Hampshire (20). In 1986, alone, there were 10 plant closings in Massachusetts, 9 in New York City, 6 in Texas (out of a national total of of 70 plants closed last year).

Net Closings of U.S. Nonrubber Footwear Plants: 1980-1986

	Closed	Opened	Net Loss
1980	26	10	- 16
1981	38	19	- 19
1982	33	10	- 23
1983	42	18	- 24
1984	104	20	- 84
1985	58	9	- 49
1986	70	6	- 64
1982-1986	307	63	-244

Source: Footwear Industries of America.

Ranked on the basis of value added by manufacture, as well as value of industry shipments, Maine was the leading state in the U.S. nonrubber footwear industry in 1982. This State accounted for 14.9% of the value added and 14.4% of the value of industry shipments in 1982. Missouri ranked second; Tennesse, third. ("Value added" is the best measurement to gauge the relative contribution of states to total product value. (See page 5 for an explanation of the term.)

While New York State had the largest number of plants classified in the industry (87), it ranked sixth in terms of value added by manufacture in its nonrubber footwear industry plants and in value of industry shipments.

Leading States in the Manufacture of Nonrubber Footwear: 1982
(Ranking based on value added by manufacture)

	No. of Plants			Valued Added By Manufacture		Value of Industry Shipments	
	Total	With 20+ Employees	Employees (thous.)	Mil. $	%	Mil. $	%
Nonrubber footwear industry, total	751	536	121.4	$2,808.9	100.0	$5,269.3	100.0
Leading states:							
Maine	60	50	15.5	420.1	14.9	758.1	14.4
Missouri	51	45	13.6	233.5	11.9	582.5	11.0
Tennessee	36	35	10.8	278.1	9.9	478.5	9.1
Massachusetts	62	47	9.1	230.0	8.2	414.0	7.9
Pennsylvania	73	64	11.2	220.7	7.9	434.9	8.2
New York	87	49	7.4	151.4	5.4	284.5	5.4
Wisconsin	25	22	4.0	110.7	3.9	226.6	4.3
New Hampshire	33	26	6.2	106.5	3.8	213.3	4.0
Arkansas	22	21	5.8	103.0	3.7	196.0	3.7
Texas	40	22	6.0	102.9	3.6	280.2	5.3

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Subject Series (MC82-1 Part 1).

GENERAL INDUSTRY STATISTICS

Location of the Industry (continued)

Because of the small number of plants operating in the rubber/plastics footwear industry, statistics on relative importance of states were not published on an industry basis in the 1982 census reports. Plants are widely scattered in 15 states.

MANUFACTURERS' OPERATIONS

The annual analysis of operating results of public footwear companies (manufacturers, retailers and diversified operations) compiled by Kurt Salmon Associates, Inc., management consultants, profiled a rebound in 1986. This was due to the strong performance reported for the four athletic footwear specialists included in the analysis: Reebok, Nike, L.A. Gear, and Hyde -- but particularly Reebok. Reebok's $132 million in profits represented 14.4% of their sales compared with an aggregate profit of 1.72% of sales for 15 manufacturer/importer companies. The combined sales of this group were down 7.2% in 1986. Net income rose 2.5%, but net after tax income represented less than 2% of sales.

Selected Footwear Industry Sector Results: 1985, 1986

	Manufacturers/Resources*		Athletic Footwear Manufacturing	
	1986	1985	1986	1985
Number of firms	15	15	4	4
Sales (millions of $)	$1,164.3	$1,254.1	$2,087.7	$1,318.8
Net income (millions of $)	20.1	19.6	196.4	49.1
Net after-tax income on sales %	1.72	1.56	9.41	3.72
Return on total equity %	4.84	4.78	29.85	12.82
Gross profit %	32.17	30.25	37.42	30.38

*Companies deriving 50% or more of their sales from footwear manufacturing or importing, except athletic footwear specialists which are separately covered.

Source: Kurt Salmon Associates: The KSA Perspective: Footwear Profile For 1986.

An annual analysis of sales and operating results of publicly-held footwear companies classified as resources is published in the trade newspaper, Footwear News. The following covers sales and profits in 1986 compared with 1985.

Sales & Profits of Leading Publicly-Held Footwear Manufacturers, 1985, 1986
(Dollar figures in millions)

	Sales			Net Profit (Loss)		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
U.S. Shoe Corp.	$2,003.2	$1,920.2	+ 4.3%	$ 25.5	$ 64.9	- 60.7%
Nike Inc.	1,069.2	946.4	+ 13.0	59.2	10.3	+476.5
Reebok Intl. Ltd.	919.4	307.0	+199.5	132.1	39.0	+239.1
Wolverine World Wide	341.7	389.5	- 12.3	(12.6)	4.0	--
Stride Rite Corp.	283.5	277.3	+ 2.2	17.0	11.2	+ 52.2
Justin	270.3	297.0	- 9.0	5.0	15.1	- 66.6
Weyenberg Manufacturing	106.7	111.5	- 4.3	4.3	4.8	- 9.8
The Cherokee Group	104.0	83.6	+ 24.4	6.8	4.3	+ 59.1
R.G. Barry	86.4	95.7	- 9.7	3.4	(0.9)	--
Suave Shoe Corp.	75.4	84.0	- 10.2	2.4	(5.4)	--

Sales & Profits of Leading Publicly-Held Footwear Manufacturers, 1985, 1986
(Dollar figures in millions)
(continued)

	Sales			Net Profit		
	Millions of $		% Change			% Change
	1986	1985	1986/85	1986	1985	1986/85
Hyde Athletic Industries	62.7	54.7	+ 14.6	3.3	(0.5)	--
Tony Lama Co., Inc.	58.5	67.3	- 13.0	(2.3)	(0.5)	--
Jumping Jacks Shoes, Inc.	41.7	34.9	+ 19.5	1.2	0.9	+ 33.4
L.A. Gear	36.3	10.7	+239.3	1.8	0.2	+658.0
B.B. Walker Co.	31.6	29.8	+ 6.0	(0.4)	(0.5)	--
Sporto Corp.	30.3	28.8	+ 5.2	(0.8)	(1.0)	--
Shaer Shoe Corp.	20.3	27.6	- 26.4	0.9	1.9	- 50.3
Daniel Green Co.	19.9	24.6	- 19.1	0.4	1.7	- 75.5
Wellco Enterprises, Inc.	14.1	13.0	+ 8.5	1.7	1.1	+ 59.5
Penobscot Co.	12.5	11.8	+ 5.9	0.6	0.3	+120.8
Total, above companies	5,587.7	4,815.4	+ 16.0	249.7	150.6	+ 65.8

Note: Sales and profit figures include the companies' total operations, including the manufacture or sale (wholesale/retail) of products in addition to footwear. Percentages are calculated on unrounded figures.

Source: Footwear News, July 6, 1987.

The industry analysis by Kurt Salmon Associates viewed the footwear industry outlook as a period of stabilization. The survivors have come to terms with the realities of imports, athletic styles, and the importance of controlling retail distribution, according to this source. They have found a niche in the very competitive marketplace, but the pressure to diversify, both into retailing -- from manufacturing/sourcing -- and into apparel and other consumer products, is viewed as continuing.

Athletic/Casual Footwear Suppliers

Athletic footwear is clearly the dominating force in the footwear market. This category now represents some 34% of total footwear consumption, up from 30% in 1985 and represents the biggest single component of the U.S. footwear market. At wholesale, industry sources value U.S. volume in 1986 at $2.6 billion, up from $2.1 billion in 1985, and reaching $3.0 billion in 1987. At the same time, U.S. suppliers are enjoying unprecedented demand in international markets. There is stronger demand in Europe for running shoes than in the U.S., but thus far the walking shoe market is almost non-existent.

Over the past four year, the athletic footwear industry has grown at an annual rate of about 12%, according to an analysis by Converse. This growth has been sparked by demand for athletic footwear to be worn for non-athletic purposes, particularly on the part of women, young adults and teenagers.

MANUFACTURERS' OPERATIONS

Athletic/Casual Footwear Suppliers (continued)

As noted, the leading U.S. supplier (importer) is Reebok, which is expected to reach over $1.0 billion in sales in the U.S. in 1987. In the first half of this year, Reebok reported a 64% gain in sales of all products, reaching $640 million, with profits at $81 million -- up 42%. Faced with growing competition, Reebok is expanding its operations, acquiring Avia in March 1987 and the John A. Frye Shoe Co., the bootmaker, in May. This followed the 1986 purchase of the Rockport Co., manufacturer of walking shoes. Reebok is also developing products internally, including Metaphors, a line of women's casual shoes with sneaker-type cushioning, as well as expanding its lines of casual apparel.

Estimated U.S. Sales of Athletic Footwear By Manufacturers/Suppliers
(Millions of dollars)

						U.S. Branded Athletic Footwear Sales Share	
Company	1987	1986	1985	1984	1983	1986	1985
Reebok	$1,000	$ 841	$ 300	$ 64	$ 13	31.2%	13.5%
Nike	681	557	625	620	636	20.2	28.1
Converse*	260	205	180	254	206	7.3	8.8
Adidas	165	150	162	185	210	6.1	7.5
Avia**	150	70	21	7	3	3.0	1.0
Other	744	777	812	770	732	32.2	41.1
Total	$3,000	$2,600	$2,100	$1,900	$1,800		

* Acquired by INTERCO in September 1986.
** Acquired by Reebok in March 1987.

Source: SportStyle (August 17, 1987); SMART Inc./BW Estimates (Business Week, August 3, 1987).
Market Share: Sports Inc., December 4, 1986.

Reebok more than doubled its business in aerobic shoes last year, although their contribution to total volume declined as they expanded product lines.

Reebok Sales By Product Line: 1984 - 1986
(Millions of dollars)

	1986		1985		1984	
	Sales	Percent	Sales	Percent	Sales	Percent
Total	$ 841.0	100.0	$299.2	100.0	$64.1	100.0
Aerobic	294.3	34.7	130.4	43.6	36.1	56.3
Tennis	174.7	21.0	88.4	29.6	17.3	27.0
Fitness	139.6	16.6	50.0	16.7	5.4	8.4
Basketball	72.0	8.6	0.7	0.2	--	--
Running	66.4	7.9	16.2	5.4	4.9	7.7
Children's	81.1	9.6	12.8	4.3	0.4	0.6
Other	12.9	1.6	0.7	0.2	--	--

Source: Reebok Annual Report: 1986

MANUFACTURERS' OPERATIONS

Athletic/Casual Footwear Suppliers (continued)

Reebok is reported to have held a 76% share of the U.S. aerobic shoe market in 1986, down from 82.3% in 1985. The company's 1986 share of the tennis shoe market was 48%, up from 21.5%; running shoes, about 20%, up from 6.7%; basketball shoes, about 22% last year.

A growing market represented by young children with fashion-aware affluent parents, used to wearing athletic footwear for a variety of purposes, has sparked demand for children's footwear with athletic styling. Reebok's sales in this classification went up more than 500% in 1986 compared with 1984, and late last year the company introduced a new line of infants' shoes, sold under the Weebok name, which in addition to appealing styling have the merit of not requiring polishing.

In the area of performance products, Reebok maintained its position as the number one branded tennis shoe in the U.S., in 1986, and completed introduction of basketball shoes for men and for women -- garnering, according to the company, a 15% share of the $1 billion branded basketball footwear retail market. Viewing cycling as currently offering the biggest growth opportunity, the company has brought out a line of cycling shoes made in South Korea for men and for women. A line of golf shoes for women was introduced in 1985, marking the first Reebok offering of footwear that can't be worn on the street.

The Rockport Division of Reebok; which had sales of about $92 million in 1986 compared with $64 million in 1984, designs, develops and markets casual shoes for men and women. Particularly fitness walking shoes, a category which is enjoying a rise in demand. Rockport's sales of ProWalkers increased 400% in 1986. This line is being expanded, along with a complementary women's casual/dress footwear line.

Reebok bought Avia Group International Inc. in March 1987, including the Donner Mountain Division which is best known for walking shoes, rugged outdoor footwear, fitness footwear, active and dress casuals. It is reported to be on the leading edge of suppliers of walking shoes with fashion features. (Reebok has further strengthened its position in the fashion/activewear market through the acquisition of Ellessee International of Italy.

Nike Inc. is second to Reebok in U.S. sales size, and reported to be the leader in performance athletic shoes. The company has a strong new line of 12 styles with soles cushioned by bubbles of compressed air (the Nike-Air line). This helped Nike report an 8% gain in footwear sales in the first quarter of its 1988 fiscal year, ending August 31, and a million pairs of the line leader -- the Air Max -- are expected to be sold this year. Gains in 1987 reverse the poor 1986 results which showed sales off in all but three categories (field sports, fitness, and "other", which includes walking shoes). A new Lifestyle Division has been set up by Nike to incorporate the technical features of athletic footwear into a line of casual shoes for men and women. In August 1987, Nike introduced a new branded division that will design and market comfort footwear, catering to the fast-growing customer base represented by older consumers.

Athletic/Casual Footwear Suppliers (continued)

Sales of Nike Products in the U.S.: Year Ending May 31
(Millions of dollars)

	1986		1985		1984	
	Sales	Percent	Sales	Percent	Sales	Percent
Total	$ 816.6	100.0	$730.1	100.0	761.4	100.0
Footwear, total	649.5	79.5	567.4	77.7	639.6	84.0
Basketball	212.6	26.0	153.2	21.0	125.1	16.4
Running	150.0	18.4	163.6	22.4	240.2	31.5
Raquet	68.5	8.4	76.0	10.4	81.4	10.7
Fitness	54.1	6.6	13.8	1.9	--	--
Field Sports	35.4	4.3	38.1	5.2	42.2	5.5
Children's	115.4	14.1	101.0	13.8	97.1	12.7
Other	13.5	1.6	21.7	3.0	53.6	7.0
Apparel	164.6	20.2	160.4	22.0	121.8	16.0
Athletic equipment	2.5	0.3	2.3	0.3	--	--

Source: Nike, Inc.: Annual Reports.

The third largest supplier to the U.S. athletic footwear market is Converse, which specializes in performance footwear. New product lines are being developed, including the Conveyor walking shoe, and the Hamptons line of performance-oriented dress and casual shoes. The company also produces canvas athletic All Star footwear, and is participating in a surging demand for sneakers, or what consumers over the years have generically called "Keds". Converse has projected a 25% to 30% increase in sales for 1987.

The maker of Keds, Keds Corp., a division of Stride Rite Corp., Cambridge, Mass., reported a 50% increase in sales from 1985 to 1986, and is projecting the same performance in 1987. Unlike Converse and Tretorn (Nylite line) which manufacture their canvas products domestically, Keds manufactures its product primarily in South Korea. Sneakers are more affordable than athletic shoes, and with offerings in many colors and patterns, are favored for multiple purchases.

U.S. footwear sales by Adidas (based in Munich, Germany) in the first eight months of 1987 were reported to be up 17%. Plans have been announced to have U.S.-based design teams which will be in closer touch with the needs of the U.S. market.

Suppliers are taking a look at the market for cross training shoes -- designed for multiple fitness activities, including basketball, weight training and tennis; and many in the industry expect the market for this shoe type to outpace sales of aerobic shoes. Reebok is in it with their Sports Conditioning line; Nike with their Cross Trainers, and Avia with their Transport series. The Avia Group anticipates that its new Transport series for men will reach a sales volume of $30 million next year, and the company plans to bring out a similar line of shoes for women in 1988.

Athletic/Casual Footwear Suppliers (continued)

Casual shoe manufacturer specialists have been severely challenged by imports and by the shift in consumer preference to athletic shoes (now representing over one-third of the total shoe market). Wolverine World Wide Inc., which formerly dominated the casual shoe market in the U.S. with its Hush Puppies brand, closed 7 of its 23 plants and sold two retail chains in the past two years. Sales in 1986 fell 12%, to $342 million.

Sale of a West German subsidiary in 1985 accounted for part of the decline in sales. A restructuring program also led to reduced sales. To take advantage of changing consumer attitudes, new products have been developed to try to attract younger customers, including mesh and linen casuals, weather resistant sports boots, and athletic footwear with a special sole feature. Manufacturing in the company's Dominican Republic facilities has been expanded to gain the benefit of lower labor costs. Sourcing in the Far East has been increased.

A trend noted among both American and European-based activewear manufacturers, which includes the major athletic footwear manufacturers, is toward concept stores and shop-in-shop ventures as a means of penetrating the increasingly competitive U.S. street-active market, while maintaining their current retail accounts.

Converse is now setting up store-in-stores for its new Chucks line of lifestyle wear, with the first planned for Macy's New York. Puma U.S.A. plans to open the first of a number of in-store shops in Woodward & Lothrop, Washington, D.C., next spring. Nike has operated stores in the U.S., for a number of years, and is reported to be considering the possibilities offered by the store-in-store approach.

EXPENDITURES FOR R&D, TECHNOLOGICAL IMPROVEMENTS

In 1983, the FIA completed a survey of the state of the art in footwear manufacturing to identify priorities and strategies required to bolster the sagging U.S. industry in the face of imports. The study, and later analyses, concluded that the cost gap could be narrowed through the adoption of advanced technology, as well as improved management and operating systems.

Expenditures on research and development, as well as on manufacturing systems and equipment, have increased substantially in recent years in terms of current dollars.

Nonrubber Footwear Producer Expenditures: 1980, 1983, 1984
(Thousands of dollars)

	1984	1983	1980	% Change 1984/1980
Research & development expenditures				
Nonathletic footwear	$17,130	$14,654	$10,181	+ 68.2
Athletic footwear	4,585	2,884	842	+444.5
Technological improvements, total	26,511	15,578	10,912	+143.0
Computer-aided design & grading system	1,283	178	33	+3787.8
Cutting systems	76	0	0	
Computer-aided stitching	4,576	2,362	1,989	+130.1
Stitching room work aids	1,895	1,229	828	+128.9
Injection molding	5,445	3,308	3,136	+ 73.6
Unit bottom molding equipment	1,027	1,033	1,241	- 17.2
Other cost-saving investments	12,209	7,468	3,685	+231.3

Source: Footwear Industries of America and U.S. International Trade Commission.

EXPENDITURES FOR R&D, TECHNOLOGICAL IMPROVEMENTS

The Census Bureau has reported that total spending for new plants and additions by the U.S. footwear industry amounted to $13.7 million in 1985, which was 9.3% below the 1984 total. Spending for new machinery and equipment, on the other hand, rose 14.7% to total $45.3 million in 1985. Most of the increase was within the women's nonrubber footwear segment.

New Plant & Equipment Expenditures: 1982, 1984, 1985
(Millions of dollars)

	Buildings & Structures			New Machinery & Equipment		
	1985	1984	1982	1985	1984	1982
Footwear industry:						
Rubber/plastics footwear	$ 0.6	$ 0.1	$ 1.0	$ 7.8	$ 5.0	$11.0
House slippers	0.7	3.5	1.0	0.8	3.3	2.8
Nonrubber footwear:	12.4	12.5	--	36.7	31.2	44.0
Men's	7.6	6.6	8.2	21.3	21.4	17.3
Women's	2.5	4.8	3.2	9.8	2.3	17.0
Other	2.3	1.1	3.4	5.6	7.5	9.7
Total	$13.7	$15.1	$16.8	$45.3	$39.5	$57.8

Source: U.S. Bureau of the Census: Annual Survey's of Manufactures.

In 1987, the Bureau of the Census issued a report, 1982 Enterprise Statistics covering information on a company basis (in contrast with 1982 Census of Manufactures/Retail Trade reports which are on a plant or store basis). Following is information on capital expenditures reported for 44 footwear companies, each having a minimum of 500 employees. Total sales of these companies were reported at $4,934.9 million.

Capital Expenditures By Footwear Companies in the U.S.
With 500 Employees Or More: 1982

		Capital Expenditures			
	No. of Companies	Total	Computers & Peripheral Equipment	Other Machinery	Autos & Trucks
Footwear (nonrubber)	44				
Expenditures:					
Mil. of $		$73.3	$ 3.0	$64.3	$ 5.9
% to Sales		1.5	0.1	1.3	0.1

Source: U.S. Bureau of the Census: 1982 Enterprise Statistics.

NATIONAL ADVERTISING EXPENDITURES

The same report referred to above (1982 Enterprise Statistics) included information on spending for purchased advertising services (or outside costs), including space, time, production costs, etc., by companies with 500 employees or more. Of the 44 footwear companies with 500 employees or more reported in the nonrubber footwear industry, 25 companies participated in a survey on advertising expenditures. These companies had sales of $3,905 million in 1982, or 79% of the total volume reported for all companies in the industry with 500 or more employees.

Of the 25 companies, 21 (84%) reported having purchased advertising expenses. Sales of these companies amounted to $3,668 million in 1982; their advertising purchases amounted to $101.6 million. This represented 2.8% of their sales, and 2.6% of the total sales of the 25 reporting companies -- including the four without spending for purchased advertising services.

According to an analysis of 10-K reports filed by publicly owned companies with the Securities & Exchange Commission, advertising expenditures in 1986 represented 4.2% of the total sales of companies which are primarily in the business of manufacturing nonrubber footwear. This compares with a 4.5% share reported in a similar study for 1985, and 3.0% in 1981. Included in the figures are all expenditures classified as "advertising expense" by the reporting company, and is subject to differences in classification systems. It includes media and nonmedia advertising and production costs.

Nonrubber Footwear Industry Advertising Expenditures: 1981-1986

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate %
1986	4.2%	10.2%	(4.7%)
1985	4.5	12.2	4.5
1984	3.8	10.4	7.8
1983	3.0	8.5	6.5
1982	3.0	7.9	5.9
1981	3.0	8.2	nr

nr not reported
* Margin is net sales less cost of goods sold.

Source: Pansophic Systems and Schoenfeld & Associates (Advertising Age).

In its Leading National Advertisers report, the Publishers Information Bureau details spending on consumer magazine advertising space by footwear companies. Annual data for 1986 is compared with 1985 data below. The PIB breaks down expenditures for footwear advertising into two classifications "Shoes and Boots Regular & Casual" and "Sport & Protective Footwear" including men's, women's and children's.

NATIONAL ADVERTISING EXPENDITURES

Leading Footwear Advertisers' Spending For Space in Consumer Magazines On Shoes and Boots (Regular & Casual): 1985, 1986

	Space Costs ($000)	
	1986	1985
Timberland Co.	$ 1,922.3	$ 1,074.3
Rockport Co.	1,655.3	577.5
Brown Group	1,633.1	1,742.9
U.S. Shoe Corp	1,461.6	1,520.8
Stride Rite Corp.	1,335.4	2,426.7
G.H. Bass	1,153.3	1,334.2
Bally Inc.	1,086.5	1,128.9
Espirit De Corp	678.3	895.3
Wolverine World Wide	657.9	469.3
Interco	482.0	407.9
Total, Shoes and boots, regular/casual	$26,269.7	$28,018.4

Leading Footwear Advertisers' Spending For Space on Sport & Protective Footwear in Consumer Magazines: 1985, 1986

	Space Costs ($000)	
	1986	1985
Reebok USA	$ 7,545.2	$ 3,805.8
Nike	5,326.9	707.1
Autry	2,356.1	1,410.9
Etonic Inc.	1,949.1	967.9
Converse	1,526.3	1,850.9
Avia	1,406.2	524.0
Pony	1,112.5	667.[illegible]
Total, Sport & Protective Footwear	$34,966.6	$21,777.9

Source: Publishers Information Bureau.

In August 1987, Reebok International announced it was doubling its 1987 budget for print and broadcast to $30 million (Advertising Age, August 17, 1987). The campaign will position Reebok as a supply of shoes for the serious athlete (which has been Nike's strongest market), as well as for the customer more interested in fashion than fitness.

Nike launched a $7 million advertising campaign in the spring of 1987 on their new Nike-Air line. Converse, Inc. has an advertsing budget of $30 million for 1987. Avia Group International Ltd. has announced a $20 million national advertising and marketing campaign in 1988.

PRODUCTION IN THE U.S.

The U.S. Bureau of the Census compiles monthly and annual information on U.S. production and shipments of footwear based on a sample survey of all known manufacturters (about 475 firms). The reports include manufacturers that cut footwear in the U.S., ship to a foreign country included in the Caribbean Basin Initiative for assembly, then ship back to the U.S. under the special imports category referred to as Item 807 of the U.S. Tariff Schedules.

In the first seven month of 1987, U.S. production of all types of nonrubber footwear fell 9.4% below production in the same 1986 period. The sharpest drop (-26.3%) was noted in slippers. The growth in consumer demand for sneakers was reflected in a 15.3% increase in production of footwear with rubber or plastic soles and fabric uppers. All major classifications of nonrubber footwear registered declines in domestic output with the exception of a small miscellaneous category which includes ballet shoes, theatrical shoes, etc.

Production of Footwear in the U.S.: January-July 1987

	Thous. Pairs	% Change: Jan.-July 1987/1986
Total, all types of footwear	177,366	- 4.6%
Nonrubber footwear, total	130,758	- 9.4
Men's	32,384	- 3.9
Women's	47,258	- 4.7
Juvenile	18,343	- 3.1
Athletic	4,718	- 4.3
Other (ballet, theatrical, etc., and type not specified)	1,890	+15.0
Slippers	26,165	-26.3
Rubber/plastic sole, fabric upper, total	40,025	+15.3
Rubber/plastic protective footwear	6,583	- 3.9

Source: U.S. Bureau of the Census: Current Industrial Reports (M31A).

In the year 1986, U.S. manufacturers produced 299,335 thousand pairs of footwear of all types; except protective footwear, which was 6.4 percent below the 1985 total. This followed a decline of 12.6% in production in 1985 compared with 1984.

Production of nonrubber footwear in 1986 totaled 241,388 thousand pairs, about 9% below the 1986 level and following a 12.6% decrease the previous year. The 1986 total on nonrubber footwear production compares with a peak of 641,7000 thousand pairs in 1966. (In that year, imports totaled only 96.1 million pairs, compared with 940.4 million in 1986.)

All major types of U.S. footwear registered declines in production last year. However, cuts were particularly sharp in women's footwear, in which large inventories had accumulated at the wholesale and retail level.

Production in the U.S. of all types of athletic shoes fell almost 14% compared with 1985, with running/jogging shoes down over 24%, reversing the 13% gain reported for 1985. There was, however, a pickup in output of court shoes (not including shoes in the rubber/plastics category), which went up over 32% after a 13% decline in 1985. Output of rubber-soled/fabric upper footwear turned up 5.6% in 1986, after a sharp cutback of 75% in 1985. This reflected a growth in consumer demand for sneakers for leisure wear in place of less comfortable, more expensive casual footwear in the nonrubber footwear classification.

PRODUCTION IN THE U.S.

By Type of Footwear

U.S. Production of Footwear By Type: 1984-1986
(Thousands of pairs)

				% Change	
	1986(p)	1985(r)	1984	1986/85	1985/84
Footwear, total (nonrubber & rubber/plastic not including protective footwear)	299,335	319,966	365,999	- 6.4%	- 12.6%
Nonrubber footwear, total	241,388	265,098	303,174	- 8.9	- 12.6
Shoes, athletic footwear, boots	185,461	210,449	243,759	- 11.9	- 13.7
Men's (except athletic)	58,118	64,718	72,273	- 10.2	- 10.4
Dress & casual shoes	33,838	37,691	43,273	- 10.2	- 12.9
Boots, dress & casual	8,932	9,579	10,238	- 6.7	- 6.4
Western style boots	4,864	6,259	7,297	- 22.3	- 14.2
Work oxfords	2,700	3,095	3,675	- 12.8	- 15.8
Steel toes	766	831	882	- 7.8	- 5.8
Work boots	12,497	14,185	14,896	- 11.9	- 4.8
Steel toes	3,499	3,765	4,606	- 7.1	- 18.2
Type not specified	151	168	191	- 10.1	- 12.0
Youths' & boys' (except athletic)	3,352	4,416	6,669	- 24.1	- 33.8
Boots	146	227	172	- 35.7	+ 32.0
Women's (except athletic)	82,532	94,912	113,282	- 13.0	- 16.2
Sandals	8,169	10,018	13,673	- 18.5	- 26.7
Dress & casual, except sandals	68,663	75,853	91,706	- 9.6	- 17.3
Uniform duty shoes		132	48		+175.0
Boots, ankle height or higher	5,700	8,909	7,855	- 36.0	+ 13.4
Western sytle boots	360	601	578	- 40.1	+ 4.0
Misses' (except athletic)	3,717	4,232	4,880	- 12.2	- 13.3
Boots	85	41	91	+107.3	- 54.9
Children's (except athletic)	5,651	7,729	9,414	- 26.9	- 17.9
Boots	584	761	629	- 23.3	+ 21.0
Infants' & babies' shoes	19,770	20,891	19,886	- 5.4	+ 5.1
Athletic shoes	9,350	10,819	12,760	- 13.6	- 15.2
By type:					
Court shoes	2,140	1,615	1,862	+ 32.5	- 13.3
Running or jogging shoes	3,845	5,363	4,733	- 28.3	+ 13.3
Cleated shoes except golf	9	81	9	- 88.9	+800.0
All other	3,356	3,760	6,156	- 10.7	- 38.9
By sex:					
Men's	4,089	5,434	5,796	- 24.7	- 6.2
Women's	2,617	2,991	3,496	- 12.5	- 14.4
Youth's, children's	2,644	2,394	3,468	+ 10.4	- 31.0
All other nonrubber footwear (ballet slippers, etc.)	2,971	2,732	4,595	+ 8.7	- 40.5

(continued)

PRODUCTION IN THE U.S.

By Type of Footwear (continued)

U.S. Production of Footwear By Type: 1984-1986
(Thousands of pairs)
(continued)

	1986(p)	1985(r)	1984	% Change 1986/85	% Change 1985/84
Slippers	55,927	54,649	59,415	+ 2.3	- 8.0
Men's, youths', boys'	5,796	7,808	9,269	- 25.8	- 15.8
Women's, misses'	46,284	42,098	44,589	+ 9.9	- 5.6
Children's, infants'	3,847	4,743	5,557	- 18.9	- 14.6
Rubber/plastics footwear (fabric upper), total (excl. protective)	57,947	54,868	62,825	+ 5.6	- 74.7
Espadrilles	(D)	(D)	1,263	--	--
Fabric upper cement process	(D)	(D)	5,389	--	--
All other fabric upper shoes	54,229	49,657	56,173	+ 9.2	- 11.6
Vulcanized	10,461	10,779	12,617	- 2.9	- 14.6
Other, incl. injection molded	43,768	38,878	43,556	+ 12.6	- 10.7

U.S. Production of Rubber & Plastic Protective Footwear: 1983-1985
(Thousands of pairs)

	1986(p)	1985(r)	1984	% Change 1986/85	% Change 1985/84
Protective footwear, total	12,160	16,453	17,518	+ 26.1%	- 6.1%
Rubber upper protective footwear	6,788	8,079	9,331	- 16.0	- 13.4
Boots	2,834	3,989	3,560	- 29.0	+ 12.0
Lumberman & pacs	1,048	929	D	- 12.8	--
Arctics & gaiters	1,455	1,551	2,379	- 6.2	- 34.8
Light & heavy rubbers	1,451	1,610	D	- 9.9	--
Plastic upper protective footwear	4,254	5,477	5,138	- 22.3	+ 6.6
Slush molded	1,515	2,303	2,811	- 34.2	- 18.1
Injection molded	2,739	3,174	2,329	- 13.7	+ 36.3
Fabric upper protective footwear, rubber/plastic sole	1,118	2,897	3,047	- 61.4	- 4.9

(p) preliminary
(r) revised
(D) Data withheld to avoid disclosure for individual companies

Source: U.S. Bureau of the Census:
Current Industrial Reports (MA31A).

PRODUCTION IN THE U.S.

Seasonal Pattern in Production

Percent of Year's Total Production of Nonrubber Footwear (Shoes & Slippers) by U.S. Manufacturers, by Months: 1986

	Nonrubber Footwear Total*	Men's Except Athletic	Women's Except Athletic	Juvenile	Athletic	Slippers
Total, thousands of pairs	241,388	58,118	82,532	32,490	9,350	55,927
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
January	9.3	8.9	10.6	9.2	7.0	8.4
February	8.9	8.8	8.8	9.7	7.3	9.1
March	8.8	8.5	8.3	9.6	7.7	9.8
April	8.8	9.1	7.7	8.4	8.5	10.3
May	8.6	8.2	8.4	7.4	6.9	10.3
June	7.6	7.8	6.7	6.4	6.4	9.6
July	7.6	6.6	9.5	7.6	8.9	5.9
August	8.6	9.1	8.8	8.9	10.4	7.6
September	8.2	8.5	7.9	8.1	9.2	8.2
October	8.9	9.3	8.3	9.3	9.9	8.8
November	7.6	7.8	7.4	7.9	8.8	7.4
December	6.9	7.4	7.6	7.5	8.9	4.6

* Includes other nonrubber footwear not separately reported.

Source: Based on U.S. Bureau of the Census: Current Industrial Reports (MA31A).

Leading States

In 1986, Missouri narrowly edged out Pennsylvania as the State reporting the largest production of nonrubber footwear, accounting for 11.7% of the total vs. 11.2% for Pennsylvania. This followed the 26.4% decline compared with 1985 in production in Pennsylvania -- the sharpest percentage dip reported for an individual state. Production in Missouri was off 12%. Maine, another industry center, reported a 20.4% decline in output.

The three leading producers, Missouri, Pennsylvania and Maine, as a group accounted for 31.5% of U.S. nonrubber footwear production last year, down from close to 36% in 1985. Only two states registered increases last year: Florida and Georgia.

PRODUCTION IN THE U.S.

Leading States (continued)

Production of Nonrubber Footwear in Leading States: 1984-1986
(Thousands of pairs)

	1986	1985(r)	1984	% Change 1986/85	% Change 1985/84
U.S. total*	241,338	265,098	303,174	- 8.9%	- 12.4%
Arkansas	10,062	12,247	11,915	- 13.4	+ 2.8
California	4,959	4,742	7,027	+ 4.6	- 32.5
Florida	9,946	12,504	12,577	- 20.5	- 0.6
Georgia	3,404	3,275	3,680	+ 3.9	- 11.0
Illinois	4,840	4,855	5,113	- 0.3	- 5.0
Maine	20,890	26,251	34,194	- 20.4	- 23.2
Massachusetts	14,073	15,863	18,472	- 11.3	- 14.1
Missouri	28,177	32,019	35,660	- 12.0	- 10.2
New Hampshire	7,475	8,708	11,502	- 14.2	- 24.3
New York	14,003	14,863	20,665	- 5.8	- 28.1
North Carolina	4,989	5,356	6,644	- 6.8	- 19.4
Ohio	8,649	10,110	nr	- 14.4	--
Pennsylvania	26,979	36,665	38,552	- 26.4	- 4.9
Tennessee	12,363	15,712	21,098	- 21.3	- 25.5
Texas	nr	17,854	15,961	--	+ 11.9
Wisconsin	6,126	7,007	7,430	- 12.6	- 5.7

* Includes states not separately listed.
(r) Revised   nr not reported

Source: U.S. Bureau of the Census:
Current Industrial Reports (MA31A).

Materials

Within the nonrubber footwear industry overall production of types with leather uppers declined from 55.1% in 1985 to 53.8% in 1986, according to the Census Bureau. Consumption was up, however, with imports accounting for the rise. They represented 79% of total new supply of leather footwear in 1986 vs. 75.5% in 1985, according to the Census Bureau.

The nonrubber shoe classification as a whole showed a larger share of U.S. production with leather uppers (although total output was down), but there was a sharp drop in athletic shoes where leather uppers dropped from over 54% of U.S. output in 1985 to 46.1% in 1986. (This does not include athletic footwear with fabric uppers and plastic or rubber soles.)

Shoes for women in the nonrubber classification, produced in the U.S., showed a decline of 13% in 1986 compared with 1985. However, leather uppers accounted for an increased share of the total -- rising from 59.7% to 62.5%. This may be a reflection of the more favorable competitive position of domestic leather shoes in relation to imports originating in Europe which have become much more expensive due to the devaluation of the U.S. dollar.

Materials (continued)

Nonrubber Footwear Production in the U.S.
Total & Footwear with Leather Uppers: 1985, 1986
(Thousands of pairs)

	1986			1985		
		With Leather Uppers			With Leather Uppers	
	Total	Pairs	% of Total	Total	Pairs	% of Total
Nonrubber shoes & slippers, total	241,388	129,872	53.8	265,098	146,115	55.1
Shoes*	185,461	126,579	68.2	210,449	142,666	67.8
Men's (except athletic)	58,118	53,226	91.6	64,718	60,016	92.7
Women's (except athletic)	82,532	51,626	62.5	94,912	56,640	59.7
Athletic	9,350	4,307	46.1	10,819	5,854	54.1
Slippers	55,927	3,293	5.9	54,649	3,449	6.3

* Includes shoe types not separately listed

Source: Based on U.S. Census Bureau reports.

Of total shipments of shoes by U.S. manufacturers in 1986, 24% had rubber or plastic soles with fabric uppers. The comparable share of the total in 1985 was 21%.

The total new supply of footwear in the U.S., including U.S. production less exports plus imports for consumption last year, showed leather footwear accounting for 44.9% of new supply compared with 46.2% in 1985, 39% in 1982.

Total New Supply (Apparent Consumption) of Footwear
By Major Material Type: 1986
(Thousands of pairs)

	Pairs	Percent
Total footwear	1,347,655	100.0%
Nonrubber shoes & slippers	1,169,290	86.8
Leather footwear	605,772	44.9
All other footwear	563,518	41.8
Footwear with rubber/plastic soles/ fabric uppers	156,029	11.6
Rubber and plastic protective footwear	22,336	1.7

Source: Based on U.S. Census Bureau reports.

In an analysis of the industry by the International Trade Administration, it was pointed out that heavier weight oiled or waxy leathers for moccasins and boat shoes were much in demand in 1986. Consumption of sole leather was reported to be up about 4%.

PRODUCT SHIPMENTS

In contrast with the value of "Industry Shipments", which have been covered in the section on GENERAL INDUSTRY STATISTICS, and defined on page 5, product shipments cover the value of specific products made by all manufacturing establishments with payroll, including those classified in the footwear industry (which are primary producers) and those classified in other industries (secondary producers).

The complete census of manufactures compiled every five years by the U.S. Bureau of the Census includes information on product shipments by all U.S. manufacturing establishments with payroll. The most recent census data is for the year 1982. Comparable figures for intercensal periods are compiled by the Census Bureau through annual surveys (ASM) among a sample of manufacturers in the U.S.. Based on both reports, the U.S. International Trade Administration compiles industry estimates and projections, published in the annual U.S. Industrial Outlook, in terms of both current and constant dollars.

Recent Performance & Forecast on Footwear Shipments
By All U.S. Producers & Trade Data

NONRUBBER FOOTWEAR	Compound Annual Rate of Change		Annual Percent Change		
	1972 1984	1979- 1984	1985/ 1984	1985/ 1986*	1987/ 1986**
Value of product shipments (current dollars):					
Total	+ 3.1%	+ 1.4%	- 6.7%	-11.4%	--
House slippers	+ 2.9	- 2.7	- 0.9	- 1.1	--
Men's footwear	+ 4.6	+ 2.9	- 3.8	- 6.0	--
Women's footwear	+ 1.7	+ 0.5	- 6.2	-21.7	--
Footwear, nec***	+ 2.9	+ 1.0	-19.0	- 5.1	--
(constant 1982$):					
Total	- 3.0	- 1.8	- 5.9	-11.8	- 4.8
House slippers	- 2.8	- 5.5	- 2.8	- 7.3	- 1.9
Men's footwear	- 2.6	- 0.2	- 3.5	- 6.9	- 4.0
Women's footwear	- 3.8	- 3.0	- 5.6	-20.6	- 6.0
Footwear, nec***	- 2.3	- 1.8	-16.6	- 6.0	- 5.9
Quantity shipped					
Total	- 4.9	- 5.3	- 8.1	-13.5	- 5.3
House slippers	- 4.8	- 5.8	- 0.7	- 8.4	- 4.0
Men's footwear	- 4.6	- 4.8	- 4.9	- 8.5	- 4.3
Women's footwear	- 4.9	- 4.3	- 7.5	-21.7	- 6.7
Footwear, nec***	- 5.4	- 7.1	-20.0	- 7.1	- 6.0
Trade Data					
Value of imports	+17.8	+14.9	+16.7	+16.2	--
Import/new supply ratio**	+ 9.4	+ 7.4	--	--	--
Quantity of imports	+ 7.7	+12.4	+16.1	+12.9	--
Value of exports	+21.3	+ 6.9	+ 1.5	+19.1	--
Export/shipment ratio	+17.6	+ 5.4	+ 8.7	+34.4	--
Quantity of exports	+11.9	- 0.9	+27.0	+23.9	--

PRODUCT SHIPMENTS

Recent Performance & Forecast on Footwear Shipments By All U.S. Producers & Trade Data
(continued)

RUBBER/PLASTICS FOOTWEAR	Compound Annual Rate of Growth		Annual Percent Change		
	1972 1984	1979- 1984	1985/ 1984	1985/ 1986*	1987/ 1986**
Value of product shipments					
Current $	+ 1.1	+ 3.2	- 0.6	-13.8	--
Constant 1982$	- 3.3	+ 1.1	- 3.3	-11.3	- 5.7
Trade Data					
Value of imports	+ 2.9	- 2.5	-26.9	+ 13.3	--
Import/new supply ratio	+ 1.1	- 3.2	-18.0	+ 19.5	--
Value of exports	+20.3	+ 0.5	-14.7	+ 45.5	--
Export/shipment ratio	+19.1	- 2.7	-14.2	+ 68.8	--

* estimated
** forecast
***nec not elsewhere classified. Includes juvenile footwear, athletic footwear, moccasins, orthopedic shoes, novelty footwear, wooden shoes, etc.

Source: U.S. Department of Commerce, International Trade Administration: 1987 U.S. Industrial Outlook.

The ASM report for 1985 showed a sharper decline in the current dollar value of footwear shipments in 1985 than noted in the foregoing ITA estimates.

Value of Footwear Shipments By U.S. Producers: 1982, 1984, 1985
(Millions of dollars)

	1985	1984	1982	% Change 1985/1982
Footwear, total	$4,680.6	$5,136.5	$5,615.0	- 16.6%
Nonrubber footwear	4,133.2	4,575.9	4,952.4	- 16.5
House slippers	215.1	225.2	265.3	- 18.9
Men's, except athletic	1,878.7	2,021.5	1,971.2	- 4.7
Work shoes, boots	532.4	540.7	565.5	- 5.8
Dress & casual boots	433.4	446.1	446.1	- 2.8
Dress & casual shoes	896.9	1,003.8	940.0	- 4.6
Type not specified	16.1	31.0	19.6	- 17.9

(continued)

PRODUCT SHIPMENTS

Value of Footwear Shipments By U.S. Producers, 1982, 1984, 1985
(Millions of dollars)
(continued)

	1985	1984	1982	% Change 1985/1982
Nonrubber footwear				
Women's, except athletic	1,522.1	1,660.1	1,994.1	- 23.7
Boots	153.0	187.3	219.2	- 30.2
Sandals	134.5	149.9	225.9	- 40.5
Dress shoes	557.9	586.4	649.0	- 14.0
Other shoes	648.3	698.1	860.8	- 24.7
Type not specified	28.3	38.4	39.2	- 27.8
Youths' & boys'	36.9	58.2	89.2	- 58.6
Infants' & babies'	100.8	126.8	121.1	- 16.8
Children's shoes	93.6	124.8	137.3	- 31.8
Misses' shoes	49.3	58.5	77.3	- 36.2
Athletic & other footwear, nec	189.3	224.9	257.2	- 26.4
Type not specified	47.4	75.9	39.7	+ 19.4
Rubber/plastics footwear:	547.4	560.6	662.6	- 17.4
Protective footwear	155.2	152.7	121.8	+ 27.4
Shoes with rubber or plastic soles, fabric uppers	382.1	397.7	536.1	- 28.7
Type not specified	10.1	10.2	4.7	+114.9

Note: Covers value at the plant. Shipping charges are not included.

Source: U.S. Bureau of the Census: 1982 Census of Manufactures; 1984, 1985 Annual Survey of Manufactures.

Another source of information on value of manufactuers' shipments of footwear is the Current Industry Reports, issued by the U.S. Bureau of the Census, which have been drawn upon in the section on PRODUCTION. As noted these are monthly and annual reports based on surveys among all known producers and they contain data on pairs as well as value.

In the first seven months of 1987, U.S. manufacturers shipped 125.3 million pairs of nonrubber footwear, valued at $2.9 billion at the plant level. These figures represented a decline of 5.1% in quantity and of 6.0% in value compared with the same period of 1986.

Shipments of Footwear: January-July 1987
By U.S. Manufacturers
(in thousands)

	Pairs	Value	% Change: Jan-July 1987/1986 Pairs	% Change: Jan-July 1987/1986 Value
Total, all types of footwear	178,017	$2,363,433	- 0.24%	+ 8.5%
Nonrubber footwear	125,327	2,038,238	- 5.1	+ 6.0
Footwear with rubber/plastic soles/fabric uppers	44,160	230,716	+16.1	+21.8
Rubber and plastic protective footwear	8,530	94,479	+ 3.1	+42.3

Source: U.S. Bureau of the Census: Current Industrial Reports.

PRODUCT SHIPMENTS

The value of U.S. manufacturers' shipments of footwear of all types in 1986, registered a decline of 10% compared with 1985, while the quantity shipped was up slightly (+1.7%). Shipments of nonrubber footwear as a whole declined 9.8% in quantity, 9.2% in value, with most types registering declines, particularly women's footwear.

Quantity & Value of Shipments of Footwear By All Producers: 1985, 1986
By Type of Footwear

	Pairs (thous.)		Value (mil. $)		% Change 1986/85	
	1986	1985(r)	1986	1985(r)	Pairs	Value
Footwear, total	313,860	313,807	$4,014.0	$4,461.8	+ 1.7%	-10.0%
Nonrubber footwear	243,926	270,435	3,574.3	3,936.1	- 9.8	- 9.2
Shoes	185,686	215,419	3,398.4	3,726.4	-13.8	- 8.8
Men's (except athletic)	59,080	64,830	1,727.2	1,828.1	- 8.9	- 5.5
Dress & casual	34,892	38,729	833.9	910.2	- 9.9	- 8.4
Boots, dress & casual, including western	8,445	8,949	380.4	410.9	- 5.6	- 7.4
Workshoes & boots	15,743	17,152	512.9	507.1	- 8.2	+ 1.2
Youths' & boys' (exc. athletic)	2,893	4,257	32.7	44.6	-32.0	-26.6
Women's (except athletic)	82,378	97,080	1,306.1	1,443.5	-15.1	- 9.5
Sandals	8,248	10,522	103.9	123.7	-21.6	-15.9
Dress & casual, except sandals	68,053	77,472	1,054.3	1,138.2	-12.2	- 7.4
Boots (ankle height or higher)	6,077	9,806	147.9	181.6	-33.1	-18.6
Misses' shoes & boots (except athletic)	3,530	4,231	40.1	48.3	-16.6	-16.9
Children's shoes & boots (except athletic)	5,389	8,330	56.2	71.9	-35.3	-21.9
Infants' & babies' shoes	19,886	23,569	86.6	110.6	-15.6	-21.7
Athletic footwear	9,479	10,804	123.9	162.8	-12.3	-23.9
All other	3,051	2,318	25.6	16.5	+31.6	+55.2
Slippers	58,240	55,016	175.8	209.8	+ 5.9	-16.2
Men's, youths', boys'	6,053	7,963	36.2	39.6	-24.0	- 8.6
Women's & misses'	47,261	42,251	130.6	158.8	+11.9	-17.7
Children's, infants'	4,296	4,802	9.0	11.3	+ 2.6	-20.4
Rubber/plastic footwear						
Rubber/plastic soles/fabric upper shoes, total	58,108	56,216	325.8	368.9	+ 3.4	-11.7
Protective footwear	11,826	17,156	114.0	156.8	-31.1	-27.3
Rubber upper	6,502	8,645	75.5	94.9	-24.8	-20.5
Boots	2,457	4,410	31.6	46.5	-44.3	-32.1
Lumberman & pacs	1,013	988	19.1	19.7	+ 2.5	- 2.8
Arctics & gaiters	1,512	1,669	13.8	18.1	- 9.4	-23.7
Rubbers, light & heavy	1,520	1,578	10.8	10.5	- 3.7	+ 3.0
Plastic upper	4,118	5,503	25.6	30.6	-25.2	-16.4
Slush molded	1,303	2,343	9.8	14.8	-44.4	-33.6
Injection molded	2,815	3,160	15.8	15.8	-10.9	- 0.4
Fabric upper	1,206	3,008	12.9	31.3	-59.9	-58.7

(r) revised
Note: percentages are calculated on unrounded totals.

Source: U.S. Bureau of the Census,
Current Industrial Reports (MA31A).

PRODUCER (FACTORY) PRICES

The average value per pair of nonrubber footwear at the factory level in the U.S. was $14.65; slightly higher than the $14.55 averaged in 1985, and lower than the 1984 average of $14.69.

The average value per pair of new supply in 1986, including domestic and imports was $8.96; for imports, alone, the value averaged $7.46 per pair of nonrubber footwear. In 1982, value per pair in nonrubber footwear's new supply averaged $9.95 per pair; for imports, alone, the average was $6.64. In the first half of 1987 the average value of domestic footwear was $16.14; of imports, $6.43.

Prices of cattle hides and of finished leather have risen sharply in recent months. This is reflected in higher prices for footwear (along with increased prices for imports from countries affected by the devaluation of the dollar -- particularly footwear from Italy, France and England).

Producer (U.S. Factory) Price Indexes: Selected Years, 1976-1986, Percent Change August 1987/August 1986
(1967 = 100)

Annual Average	Cattle-Hides	All Leathers	Nonrubber Footwear				Rubber/ Plastic Footwear
			Total	Men's	Women's	Children's	
1976	273.8	188.1	158.9	174.5	148.8	149.4	162.1
1978	390.1	238.6	183.0	207.5	167.4	160.6	189.6
1980	366.8	310.6	233.1	261.5	216.8	192.9	211.9
1982	350.7	311.4	245.0	283.8	220.2	206.1	225.4
1984	504.4	372.3	251.7	290.6	226.0	214.3	227.4
1985	442.1	353.1	256.7	296.6	230.8	217.6	227.0
1986	517.8	382.6	261.8	306.5	233.3	219.6	245.4
1986 Av./1985	+17.1%	+ 8.3%	+ 2.0%	+ 3.3%	+ 1.1%	+ 0.9%	+ 8.1%
Mo. of August 1987/1986	+27.0%	+11.4%	+ 3.3%	+ 4.5%	+ 2.4%	+ 3.6%	nr

nr not reported

Source: U.S. Department of Labor, Bureau of Labor Statistics.

In the month of August 1987, U.S. factory prices for nonrubber footwear were 4.5% higher than in the same period a year ago, with the sharpest rise (+4.5%) noted for men's footwear according to a preliminay report. Detailed figures are reported for June in the table.

For the year 1986, the producer price index on all nonrubber footwear was up 6.8% compared with the 1982 average. Men's styles were up almost 8.0%; women's 5.9%. Rubber/plastic footwear prices last year averaged almost 9% above 1982.

Producer (Factory) Prices For Specific Types of Footwear: June 1987 & Annual Averages 1985, 1986

	Index Base Period	Month of June 1987	Annual Average 1986	1985	% Change June 1987/ June 1986
Footwear, nonrubber	1967	263.4	261.8	256.7	+ 1.0%
Men's footwear	1967	313.9	306.5	296.6	+ 2.4
Men's leather upper footwear	1967	318.4	308.6	298.8	+ 3.3
Dress & casual shoes	12/80	115.3	112.8	109.7	+ 2.4
Boots	12/80	120.6	117.0	115.3	+ 3.2
Work shoes/boots	12/80	129.4	123.8	118.4	+ 1.3
Slippers (except slipper socks)	6/85	115.9	104.9	na	+ 9.3
Men's non-leather upper footwear	12/80	na	106.7	102.5	na
Women's footwear	1967	229.4	233.3	230.8	- 0.7
Women's leather upper footwear	1967	230.0	225.0	223.5	+ 2.6
Dress shoes	12/80	112.5	113.7	112.1	- 1.8
Casual shoes	12/80	111.7	107.5	105.9	+ 3.7
Slippers (except slipper socks)	6/85	115.3	106.0	na	+ 8.3
Sandals	12/80	80.1	76.1	na	+ 8.8
Boots	12/80	106.0	na	na	na
Women's plastic upper footwear	12/80	93.0	104.4	126.2	- 8.0
Dress shoes	12/80	106.1	106.5	104.0	- 1.9
Casual shoes	12/80	81.9	109.0	107.9	-21.2
Other nonleather upper	12/80	124.9	121.7	116.8	+ 1.5
Casual shoes	12/80	106.3	na	na	na
Slippers (except slipper socks)	6/85	113.2	108.5	na	+ 2.7
Children's footwear (sizes 8 1/2-12)	1967	228.0	219.6	217.6	+ 3.8
Leather upper footwear	6/80	125.0	121.7	119.9	+ 2.7
Misses' footwear (sizes 12 1/2-2 1/2)	6/80	105.6	104.1	103.8	+ 1.4
Youths', boys' footwear (sizes 12 1/2-6)	6/80	122.2	120.0	120.0	+ 1.8
Infants', babies' footwear (sizes 1-8)	6/80	118.3	116.9	116.5	+ 1.2
Athletic footwear	6/80	110.8	107.7	na	+ 2.9
Footwear designed for sports	6/80	126.2	na	118.8	na
Footwear rubber/plastics	1967	252.6	245.4	227.0	+ 1.3
Protective footwear	12/80	123.3	123.7	120.9	- 1.0
Fabric upper:	12/86	101.9	na	na	--
Men's	12/80	na	107.5	96.1	--
Women's, misses'	12/80	na	140.6	122.1	--

na not available

Source: U.S. Department of Labor,
Bureau of Labor Statistics.

PRODUCER (FACTORY) PRICES

Import Prices

The BLS compiles quarterly indexes on prices of imported footwear, including cost, insurance, freight (c.i.f.).. Due in large part to the decline in the value of the U.S. dollar, particularly affecting European suppliers of footwear, and more recently suppliers in Asia, the price level of imported nonrubber and rubber/plastics footwear as of June 1987 averaged 7.8% above the level a year earlier, and 3.0% over the March 1987 index.

Footwear Import Price Indexes, June 1986-June 1987

Index (June 1977 = 100)		Percent Change		
June 1987	March 1987	June 1987/ June 1986	March 1987/ Dec. 1986	June 1987/ March 1987
153.3	148.9	+ 7.8%	+ 1.4%	+ 3.0%

Source: U.S. Department of Labor, Bureau of Labor Statistics.

MARKET SUPPLY/FOREIGN TRADE

The U.S. Census Bureau compiles monthly and annual figures on total new supply of footwear in the domestic market -- including U.S. production less exports plus imports. The resulting total is designated "apparent consumption" in official reports.

The level of new supply in 1986 of all types of footwear stood at 1,347.7 million pairs, a gain of 78% over the 1,045.0 million pairs reported for the year 1982. Of the 1986 total, U.S. production accounted for 23.1%; imports, 77.9%. In 1982, U.S. production represented 44.6% of supply; imports, 56.4%.

New supply of nonrubber footwear amounted to 1,169.3 million pairs last year, up 40.9% over the 1982 total of 829.8 million. Imports accounted for 80% last year vs. 58% in 1982.

The new supply of rubber/plastic sole, fabric upper footwear and of protective footwear fell below the 1982 level last year -- the former down 18%, the latter off 9.3%.

Summary of New Supply (Apparent Consumption) of Footwear: 1982, 1986
(Quantity in thousands of pairs; value in millions of dollars)

QUANTITY	Domestic Production	Exports	Imports	Supply
Total footwear				
1986	311,495	14,019	1,050,179	1,347,655
1982	465,923	10,616	589,676	1,044,983
Nonrubber shoes & slippers				
1986	241,388	12,452	940,354	1,169,290
1982	359,107	8,863	479,541	829,785

(continued)

Summary of New Supply (Apparent Consumption) of Footwear: 1982, 1986
(Quantity in thousands of pairs; value in millions of dollars)
(continued)

QUANTITY	Domestic Production	Exports	Imports	Supply
Nonrubber shoes & slippers				
Leather footwear				
1986	129,872	2,539	478,429	605,772
1982	196,272	3,557	214,445	407,160
Other nonrubber footwear				
1986	111,516	9,913	461,915	563,518
1982	162,835	5,306	265,096	422,525
Rubber/plastic footwear:				
Rubber/plastic soled/ fabric uppers				
1986	57,947	1,038	99,120	156,029
1982	92,896	1,367	99,032	190,561
Protective footwear				
1986	12,160	529	10,705	22,336
1982	13,920	386	11,103	24,637

VALUE	Shipments (f.o.b. plant)	Exports (value at port)	Imports (Value*)	Supply
Total footwear				
1986	$ 4,014.1	$ 131.9	$ 7,403.9	$ 11,286.1
1982	5,464.0	119.5	4,056.0	9,401.1
Nonrubber shoes & slippers				
1986	3,574.3	118.2	7,018.6	10,474.7
1982	4,802.3	101.3	3,555.3	8,256.3
Rubber/plastic footwear:				
Rubber/plastic soled/ fabric uppers				
1986	325.8	11.1	310.1	624.7
1982	540.7	14.2	419.2	945.7
Protective footwear				
1986	114.0	2.6	75.3	186.7
1982	121.0	4.9	82.1	199.1

* The value represents the c.i.f. (cost, insurance and freight value at first port of entry in the U.S.) plus U.S. import duties. Covers footwear imported for consumption in the U.S. Item 807 imports are included in U.S. production and shipments, and in imports.

Source: U.S. Bureau of the Census, Current Industrial Reports.

MARKET SUPPLY/FOREIGN TRADE

The F.I.A. has compiled the following summary on Market Supply in the first half of 1987 compared with the same period in 1986, based on revised Census Bureau figures issued in September 1987.

Market Supply: January-June, 1987/1986

	Jan.- June 1987 Total	% Change From 1986 Level
Nonrubber footwear		
Domestic production (mil. pairs)	114.3	- 9.2%
Exports (thous. pairs) *	5.0	+ 28.3
Imports (mil. pairs)	506.0	+ 3.0
Market supply (mil. pairs)	615.3	+ 0.3
Import penetration (%)	82.2	+ 2.1 points
Rubber/fabric footwear		
Domestic production (mil. pairs)	34.2	+ 14.5
Exports (thous. pairs) *	0.5	- 28.5
Imports (mil. pairs)	66.0	+ 15.1
Market supply (mil. pairs)	99.7	+ 15.2
Import penetration (%)	66.2	- 0.1 points
Total nonrubber & rubber/fabric footwear		
Domestic production (mil. pairs)	146.6	- 4.6
Exports (thous. pairs) *	5.5	+ 19.8
Imports (mil. pairs)	572.0	+ 4.2
Market supply (mil. pairs)	715.0	+ 2.1
Import penetration (%)	80.0	+ 1.6 points
Nonrubber footwear average value:		
Domestic production ($ per pair)	16.14	+ 12.1
Imports ($ per pair)	6.43	+ 7.3

* Not including non-leather slippers shipped to Mexico only for assembly.

Source: Footwear Industries of America (F.I.A.): Statistical Reports.

Per capita supply of nonrubber footwear in the U.S. increased to 4.86 pairs in 1986 from 3.61 pairs in 1976, according to the F.I.A. Fashion importance, and fast-changes in fashion, lead to the highest per capita supply centered in women's/misses' styles.

Nonrubber Footwear Supply Per Capita By Product Class: 1976-1986
(Based on age rather than size)

	1986	1983	1980	1976
Men's/boys' (age 10 and over)	2.05	2.22	1.80	2.43
Women's, girls' (age 10 and over)	5.43	4.36	3.71	4.09
Children, infants' (age 9 and under)	2.46	2.32	1.83	2.17
Athletic	0.99	0.45	0.30	0.21
Slippers & other	0.30	0.30	0.35	0.32
Total*	4.86	3.90	3.25	3.61

* Exports are excluded from total only.

Source: F.I.A. based on U.S. Census Bureau data.

MARKET SUPPLY/FOREIGN TRADE

Under the provisions of Item 807 in the U.S. Tariff schedules, footwear can be cut in the U.S., then sent outside to Caribbean Basin countries to be assembled, then returned to the U.S. -- with duty paid only on the value added abroad. To an increasing extent, this is being drawn upon by the domestic apparel and footwear industries in the race to compete with imports.

In 1986, pairs of nonrubber footwear imported under 807 increased 33.7%; 807 imports of rubber/fabric footwear gained 25%.

Imports of Footwear Under Category 807: 1985, 1986
(thousands of pairs)

	1986	1985	% Change 1986/85
Total	31,922	25,299	+ 26.2%
Nonrubber footwear, total	6,678	4,994	+ 33.7
Leather	5,034	3,970	+ 26.8
Other	1,644	1,024	+ 60.5
Rubber/fabric	25,068	20,060	+ 25.0
Plastic protective	176	245	- 28.2

Source: U.S. Bureau of the Census.

The International Trade Commission has developed a summary of information on trends in footwear imports and exports in relation to U.S. new supply. The ratio (percent) of imports to the total supply of nonrubber footwear rose to 80% in 1986 from 49% in 1980, according to this source. In the first quarter of 1987, imports accounted for 84%, but this dropped to 82% in the second quarter. While the gain in imports for the first half of 1987 as a whole (+ 3% in quantity) was slower than in the first half of 1986, due to devaluation of the dollar and import quota restrictions, domestic output slowed down even more (-9.2%). Excluding nonleather footwear shipped to Mexico only for assembly, the F.I.A. reported the rates of imports to new supply of nonrubber footwear at 82.2% in the first half of 1987.

The share of the U.S. market accounted for by imported footwear is highest in athletic footwear -- reaching over 96% in 1986, up from 77.5% in 1976 -- compared with the overall share of imports amounting to 80% of the nonrubber footwear category last year.

With its high level of market saturation, delivery is a critical aspect of the footwear market, particularly in athletic footwear. Rising prices are, of course, another concern. Problems in both of these areas have manufacturers and retailers looking for new sourcing locations.

MARKET SUPPLY/FOREIGN TRADE

Exports of nonrubber footwear stood at 13.0 million pairs in 1980, and dropped to 7.4 million in 1983. The total in 1986 was reported at 12.4 million pairs, up from 11.3 million in 1985; and in the first half of this year exports were up 15% in quantity, totaling 6.7 million pairs compared with 5.8 million in the same 1986 period.

Imports of fabric-upper footwear with rubber or plastic soles represented 56% of supply in 1980, and totaled 120.8 million pairs. In 1986, 99 million pairs were imported, 64% of domestic supply. Imports' share in the second quarter of 1987 was 62%.

Imports represented 44% of the protective footwear supply last year, up from 36% in 1980. Their share in the second quarter this year was 39%.

Summary of Foreign Trade Trends in Footwear
(Based on Quantity)

	% of Imports to New Supply	Percent Change From Year-Earlier Period			
		Domestic Production	Imports	Exports	Supply
Nonrubber footwear					
Year: 1980	49	- 3	- 10	+ 40	- 7
1982	58	- 3	+ 28	- 21	+ 13
1984	71	-11	+ 25	+ 19	+ 12
1985	77	-13	+ 16	+ 28	+ 7
1986 (p) (year)	80	- 9	+ 12	+ 10	+ 7
1st quarter	82	- 4	+ 25	- 4	+ 18
2nd quarter	80	-16	+ 3	+ 46	- 2
1987 (p)					
1st quarter	84	-14 (r)	- 4	+ 52	- 6
2nd quarter	82	- 3 (r)	+ 12	- 9	+ 9
Rubber/plastic soles, fabric upper footwear					
Year: 1980	56	- 3	- 10	+ 41	- 1
1982	52	- 3	- 29	0	- 18
1984	64	-20	+ 5	- 8	- 6
1985	61	-12	- 21	- 27	- 18
1986 (p) (year)	64	0	+ 17	+ 25	+ 10
1st quarter	67	- 9	+ 19	+ 85	+ 8
2nd quarter	65	- 7	+ 11	+129	+ 3
1987 (p)					
1st quarter	67	+11	+ 12	+ 50	+ 12
2nd quarter	62	+32	+ 19	- 50	+ 24

(p) preliminary
(r) revised

Source: U.S. International Trade Commission: Quarterly Statistical Report (September 1987).

MARKET SUPPLY/FOREIGN TRADE

Imports

Quantity & Average Value of Imports By Type of Footwear: 1984-1986

	Millions of Pairs*			% Change	Average Customs Value Per Pair		
	1986	1985(r)	1984	1986/85	1986	1985	1984
Nonrubber footwear, total	940.8	842.7	725.9	+ 11.6%	$ 6.54	$ 6.44	$ 6.41
Men's	116.3	108.8	109.5	+ 6.9	7.98	8.05	7.75
Youth's & boys'	16.0	14.5	11.3	+ 10.6	5.31	4.75	5.21
Women's	459.8	430.7	384.2	+ 6.8	6.19	6.33	6.37
Misses'	32.0	22.9	19.3	+ 39.4	4.13	3.05	3.36
Children's	36.3	35.5	34.5	+ 2.2	3.04	2.92	3.23
Infants'	25.6	25.8	20.8	- 0.9	1.86	1.93	2.02
Athletic	230.8	175.0	121.6	+ 31.9	7.95	7.84	7.62
Work shoes	10.5	10.2	9.1	+ 2.8	12.04	11.85	12.26
Other nonrubber shoes, slippers	13.6	19.2	15.6	- 29.4	2.85	2.10	2.61
Rubber/plastic sole/ fabric uppers	103.3	90.3	115.6	+ 14.0	2.30	2.47	2.73

Source: Based on Footwear Industries of America (F.I.A.) and U.S. Bureau of the Census reports.

The major foreign suppliers of footwear to the U.S. market, Taiwan and Korea, sharply increased their exports to the U.S. in 1986. Imports from Taiwan gained 17.3% in quantity and 20.4% in value; from Korea, imports were up 33% in quantity; almost 40% in value. Imports from Brazil, the third largest supplier, have been leveling off, gaining less than 1% in quantity and declining 6.3% in value in 1986 compared with 1987. This trend is continuing as Brazil concentrates its efforts on exporting to the European market whose buyers can pay for the dollar-priced shoes with European currencies, resulting in a gain for Brazilian exporters due to the increased value of these currencies over the U.S. dollar. Hong Kong has been under increasing competitive pressure from countries such as Taiwan and South Korea which have large-scale production facilities and cheaper labor. Hong Kong is also faced with growing labor shortages.

Devaluation of the dollar has been a factor in the decline in imports from Italy and Spain as sharply rising prices has forced buyers to source elsewhere. Imports from France were down 25.7%, to 5.0 million pairs in 1986 vs. 6.7 million in 1985.

Imports (continued)

Leading Sources of Imports of Nonrubber Footwear: 1986
(Quantity in thousands, value in millions of $)

	Quantity	Customs Value	% Change 1986/1985 Quantity	% Change 1986/1985 Value
Total	940,800	$6,155.0	+ 11.6	+ 13.8
Taiwan	436,931	2,026.9	+ 17.3	+ 20.4
Republic of Korea (So. Korea)	182,380	1,382.6	+ 33.0	+ 39.6
Brazil	113,393	811.5	+ 0.2	- 6.3
Italy	64,943	900.4	- 13.1	+ 3.6
Spain	34,154	408.9	- 14.2	- 1.8
China	26,813	45.5	+ 28.9	+ 31.4
Hong Kong	30,662	102.3	- 11.4	+ 17.3
Other countries	51,524	476.9	--	--

Source: U.S. International Trade Commission (Sept. 1987).

Footwear production is spreading to countries within the Far East and in South America, and shifts are underway in U.S. sources of imports. Self-restraints on footwear exports have been initiated by Taiwan and South Korea in an effort to force factories to change their focus toward more value-added production, and to shift low-end sandals, slippers and sports shoes to lower-cost nations like China and Thailand, whose currencies have remained steady. Even with restraints, Taiwan is seeing a problem developing in the steady appreciation of the Taiwan dollar (NT) which as of June had registered a 25% rise against the U.S. dollar in 18 months.

As of September 1987 it was reported that a major Chinese manufacturer of footwear (the Leather Shoe Factory) would expand its exports to the U.S., including athletic shoes and children's footwear.

In the first six months of 1987, the quantity of imports of nonrubber footwear was up 3% compared with the total in the same 1985 period, according to the U.S. International Trade Commission. Among the major suppliers to the U.S. market, the biggest gain was chalked up by China (+80%). Shipments from Taiwan were up 8.5%; from Korea, up 7.7%. Falling behind their year-ago totals were Brazil, -7.8%; Italy, - 30%; Spain - 23.4%; Hong Kong - 11.9%.

Taiwan, the chief source of U.S. footwear imports, has announced plans to sharply restructure their industry to reduce costs and upgrade quality, with the support of the government; and investments by Taiwan shoe manufacturers in U.S. retail operations have been proposed. In general, Taiwan sees the U.S. market remaining its biggest footwear customer and growth in terms of dollars if not in quantity as Taiwan concentrates production on higher priced footwear.

REIGN TRADE

Imports (continued)

While shipments from South Korea were up in the first half, labor unrest in that country have aggravated delivery problems, and some U.S. importers, including Reebok have indicated plans to source less from that country and distribute more orders to Taiwan, Indonesia, Thailand and the Philippines.

A side effect of the devaluation of the U.S. dollar has been to make some foreign markets better customers than the U.S. for countries such as Brazil, which trade in U.S. dollars, and which can convert foreign currencies to their advantage.

Exports

The weaker U.S. dollar has encouraged export growth as U.S. producers find it easier to compete in high-cost developed-country markets. However, a large part of the growth includes exports of partially assembled footwear, particularly slippers, to developing countries where they are finished and re-exported to the U.S. The provisions of Item 807 of the Tariff Code have encouraged this practice.

Total exports of footwear of all types reached over 14 million pairs in 1986, 12% over the 1985 total. Exports of nonrubber footwear (12.4 million pairs) gained 10% over the 1985 total and 39% higher than in 1984. Mexico was the largest recipient of exports -- mostly in the form of partially assembled slippers.

Footwear Industries of America has compiled information on U.S. exports of footwear not including the non-leather slippers shipped to Mexico for assembly. On this basis, exports in 1986 totaled 8,965 thousand pairs, 8.8% over the total of 8,236 thousand exported in 1985. Value at port, totaling $116.8 million in 1986, was up almost 21%.

Our biggest customer for finished nonrubber footwear is Japan, which accounted for 26.5% of the adjusted F.I.A. total in 1986. Japan has quota restrictions in place and duty on footwear imported in excess of quota amounts. Nonrubber footwear exports to Japan last year were 13.2% below the 1985 total in quantity, but according to the Census Bureau, in the first six months of 1987 exports were up almost 23%, although below (-17%) the total in the first six months of 1985.

Italy was the U.S.'s second biggest customer for nonrubber footwear last year, accouinting for 13.3% of the total and pairage was up 23%. In the first half of 1987 exports to Italy gained almost 59% compared with the total in the same 1986 period. Canada ranked next, and exports to that source were up sharply in the first half of 1987 (+72%). They are expected to continue to grow as import restrictions have been lifted.

AT THE RETAIL LEVEL

RETAIL TRADE

Size of the Consumer Market

Population Projections: 1988, 1995, 2005
(Middle Series*)

	Number (Thousands)			% Change	Percent Distribution		
	1988	1995	2005	1995/1988	1988	1995	2005
MALE							
Total, all ages	119,390	126,368	134,297	+ 5.8%	100.0%	100.0%	100.0%
Under 5 years	9,740	9,529	8,931	- 2.1	8.1	7.5	6.6
5 to 9 years	9,197	9,895	9,094	+ 7.6	7.7	7.8	6.8
10 to 15 years	9,940	11,465	11,698	+ 15.3	8.3	9.1	8.7
16 years & over	90,513	95,482	104,574	+ 5.5	75.8	75.6	77.9
16 - 19	7,474	6,804	8,058	- 9.0	6.3	5.4	6.0
20 - 34	31,625	29,166	27,416	- 7.8	26.5	23.1	20.4
35 - 54	29,134	36,206	40,769	+ 24.3	24.4	28.6	30.4
55 - 64	10,079	9,865	14,060	- 2.1	8.4	7.8	10.5
65 & over	12,201	13,441	14,271	+ 10.1	10.2	10.6	10.6
Median age (years)	31.1	33.4	36.0	+ 7.4	--	--	--
FEMALE							
Total, all ages	125,911	133,191	141,381	+ 5.7%	100.0%	100.0%	100.0%
Under 5 years	9,289	9,086	8,518	- 2.2	7.4	6.8	6.0
5 to 9 years	8,786	9,443	8,678	+ 7.5	7.0	7.1	6.1
10 to 15 years	9,500	10,954	11,167	+ 15.3	7.5	8.2	7.9
16 years & over	98,337	103,710	113,018	+ 5.5	78.1	77.9	80.0
16 - 19	7,161	6,517	7,707	- 9.0	5.8	4.9	5.5
20 - 34	31,141	28,497	26,706	- 8.5	24.7	21.4	18.9
35 - 54	30,236	37,190	41,249	+ 23.0	24.0	27.9	29.2
55 - 64	11,469	11,059	15,399	- 3.6	9.1	8.3	10.9
65 & over	18,330	20,447	21,957	+ 11.5	14.6	15.3	15.5
Median age (years)	33.6	35.9	39.2	+ 6.8	--	--	--

* Middle in a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census: Current Population Reports, Series P-25, No. 952 (May 1984).

Consumer Expenditures

The Bureau of Economic Analysis, U.S. Department of Commerce, traces the flow of goods and services from source through to the consumer, and reports the supply in terms of a retail value representing personal consumption expenditures. The procedure yields figures higher than sales through retail outlets since it values all goods reaching the consumer, including through other than retail outlets.

RETAIL TRADE

Consumer Expenditures (continued)

Personal consumption expenditures are reported by the BEA in current dollars and in a constant (1982) dollar.

Personal Consumption Expenditures for Footwear: 1983-1986
(Millions of dollars)

	1986	1985(r)	1984(r)	1983	% Change 1986/85
Footwear, total					
Current dollars	$ 24.6	$ 23.2	$ 21.6	$ 20.2	+ 6.0%
Constant dollars	24.0	22.5	21.2	20.1	+ 6.6

(r) revised.

Source: U.S. Department of Commerce: National Income & Wealth Division,
Bureau of Economic Analysis.

Based on available information, personal consumption expenditures for footwear by wearer classification (sex/age groups) are estimated as follows:

Personal Consumption Expenditures
(Millions of dollars)

	1986	1985	1984
Footwear, total	$24.6	$23.2	$21.6
Men's (16 & over) (e)	7.5	7.0	6.5
Women's (16 & over) (e)	12.1	11.5	10.7
Boys', girls' (e)	5.0	4.7	4.4

(e) estimated

Source: Fairchild Market Research Department;
Bureau of Economic Analysis.

In order to revise the Consumer Price Index, the Bureau of Labor Statistics is conducting annual surveys on average household (defined as a "consumer unit") expenditures. The complete reports analyze average spending in a number of breakdowns. Following covers averages by size of household, 1984. The averages are based on the total universe, including households that may not have spent anything on footwear during the year, and therefore are lower than averages for spenders only.

Average Annual Expenditure on Footwear
By Size of Urban Household: 1984

Total, all households	$130
One person	77
Two persons	109
Three persons	150
Four persons	188
Five persons	204
Six or more persons	217

Source: U.S. Bureau of Labor Statistics,
Consumer Expenditure Interview Survey: 1984
(August 1986).

RETAIL TRADE

Consumer Prices

Fixed Price Indexes for Footwear
Personal Consumption Expenditures, 1982 Weights
(1982=100)

1986	1985	1984	1983	% Change 1986/83
102.7	103.1	101.8	100.6	+ 2.1%

Source: Bureau of Economic Analysis.

The Bureau of Labor Statistics issues monthly Consumer Price Indexes covering a full range of goods and services purchased by consumers. Reflecting the price increases in raw materials and in footwear imported from countries whose currencies have been affected by the devaluation of the dollar, footwear prices have been gaining this year, particularly women's. As of June 1987, the unadjusted footwear price index was 4.2% higher than in the same month a year ago. The index for women's footwear was up 4.5%; for men's, 3.1% for boys' and girls', 4.4%. Advance reports for July indicated a 2.3% rise in average footwear prices over a year ago, and in August, a gain of 3% over August 1986 prices.

Consumer Price Index on Footwear For All Urban Consumers

	Base Period (=100)	Month of June 1987(p)	Month of June 1986	Annual Average 1986	Annual Average 1985	Annual Average 1984	Percent Change 1986/85	Percent Change 1985/84
All footwear	1967	218.8	210.0	211.2	212.1	209.5	- 0.4%	+ 1.2%
Men's	12/77	145.6	141.2	142.1	139.4	136.7	+ 1.9	+ 2.0
Boys', girls'	12/77	138.5	132.6	133.9	134.5	132.9	- 0.4	+ 1.2
Women's	12/77	128.9	123.4	123.8	126.8	125.9	- 2.4	+ 0.7

(p) preliminary

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Footwear Sales Trends

While the Department of Commerce reports annual figures covering the value at retail of footwear reaching the consumer through any channel (personal consumption expenditures), sales through retail outlets (with payroll) are reported by this source only at five year intervals through the complete censuses of retail trade.

The fill the void, private services conduct tracking studies measuring consumer purchases among nationwide samples of U.S. households. These services include The Footwear Market Index (FMI), a service of Kormos, Harris & Associates, Nashville, Tenn., and MRCA Information Services' Soft Goods Information Service, Stamford, Conn. (Reports for clients include details on brands, price paid, wearer, place of purchase, etc.).

Footwear Sales Trends (continued)

According to the FMI reports, based on tracking studies among 25,000 households reporting on female footwear and 25,000 reporting on male footwear in each of three four-month reporting periods during the year, retail sales of footwear in 1986 are projected to a total of $23,604 million, up 8.4% over the 1985 total.

Estimated Spending for Footwear in Retail Outlets
(Millions of dollars)

	1986	1985	% Change 1986/85
Total	$23,604	$21,768	+ 8.4%
Men's	8,678	7,688	+12.9
Women's	11,226	11,171	+ 0.5
Juvenile (boys', girls', infants')	3,700	2,909	+27.2

Source: Kormos, Harris & Associates, Inc.
The Footwear Market Index (FMI).

Total footwear purchases in pairs amounted to 897.9 million in 1986, up 6.1% over the 1985 total of 846.6 million pairs, according to the FMI reports. This includes footwear of all types except slippers and protective footwear. Women's styles account for well over half, but declined from 56.1% of the total in 1985 to 54.7% in 1986.

Distribution of Footwear Purchases (Pairs) By Market Segments

	1986	1985	% Change 1986/85
Total footwear purchases	100.0%	100.0%	+ 6.1%
Men's	26.5	25.3	+ 11.2
Women's	54.7	56.1	+ 3.6
Boys'	7.3	7.2	+ 7.6
Girls'	5.6	6.1	- 2.7
Infants'	5.8	5.3	+ 16.1

Source: FMI, Kormos, Harris & Associates, Inc.

The KSA Perspective, an analysis of retail trends and outlook for 1987 by Kurt Salmon Associates, includes a discussion of oversupply of footwear at the retail level. A combination of factors: imports, technology, growth in fashion importance, more retail outlets and shorter product life cycles, were cited as contributing to the glut even though they had helped sales. Per capita consumption has failed to keep up with per capita new supply which climbed from 3.2 pairs in 1981 to 4.8 pairs in 1986. (It should be noted that the Census Bureau uses the term "apparent consumption" in defining new supply (production less exports plus imports).)

Footwear Sales Trends (continued)

Meanwhile, larger companies have deemphasized their manufacturing operations to invest in more retail space, relying on the strength of their brand names to compete against imports. The KSA analysis concludes that the market is currently oversupplied and overstored and inventory management will be the key to profit performance.

The various components of the U.S. footwear market present a mixed picture in recent years. Footwear for men, boys and girls -- excluding athletic footwear -- have lost market share. Cutting through all of these markets, and showing the biggest gain in market share is athletic footwear of all types, which have gained at the expense of dressier styles.

Footwear Consumption
Year-to-Year % Change in Pairs Purchased by Consumers

	1984/83	1985/84	1986/85	1987/86
Dress, casual, work & boots				
Men's	+ 9%	- 5%	0	- 5%
Women's	+ 9	+ 6	+ 8	+ 5
Boys'	+ 8	- 4	0	- 5
Girls'	+ 6	0	- 6	0
Infants'	0	+11	+15	+10
Athletic (all types including nonrubber and rubber fabric)	+ 7	+10	+15	+20

Source: KSA Based on The Footwear Market Index, a service of Kormos, Harris & Associates, Inc.

Athletic footwear of all types, including sneakers, represented 34% of total footwear purchases in the U.S. in 1986, up from 29% in 1983. It is the largest single component of the market and still growing, though at a slower pace and with shifts occurring in best-selling styles of athletic footwear.

Distribution of Total U.S. Purchases of Nonrubber & Rubber/Fabric Footwear
By Type of Shoe: 1983, 1986

Shoe Sizes:	Men's		Women's		Boys'		Girls'		Infants		Total	
	1986	1983	1986	1983	1986	1983	1986	1983	1986	1983	1986	1983
Total (mil. pairs)*	238.3	181.3	491.6	405.8	65.5	52.1	50.4	49.9	52.3	39.9	897.9	728.8
Percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Dress	25.6	29.4	38.8	40.2	12.2	14.0	24.8	21.8	22.7	21.3	31.7	33.4
Casual	11.8	13.7	29.2	33.5	6.5	7.9	21.0	29.1	20.4	23.0	22.0	25.9
Athletic/tennis	43.8	37.9	21.3	17.5	73.2	68.5	45.2	41.3	47.4	44.6	33.9	29.3
Work/duty	10.5	11.5	2.4	2.4	2.0	2.1	0.6	0.2	--	--	4.3	4.4
Western/casual boot	2.4	3.2	0.8	1.1	1.7	2.5	0.8	1.6	--	--	1.2	1.7
Other	5.9	4.2	7.5	5.3	4.4	5.0	7.7	5.9	9.5	11.1	6.9	5.3

*Includes rubber and rubber/fabric footwear except slippers or protective footwear.

Source: Kormos, Harris & Associates; FIA Footwear Manual (1987).

RETAIL TRADE

Retail Outlet Types

The latest official source of information on retail sales of footwear by type of retail outlet was covered by the U.S. Bureau of the Census in the 1982 Census of Retail Trade. Information from this source has been reported in detail in the following Fact Files: FOOTWEAR (1986 Edition), SALES OF MAJOR CLASSES OF CONSUMER GOODS BY RETAIL OUTLET TYPE (1986); A STATISTICAL ANALYSIS OF RETAILING (Fact File Special Edition: 1985).

Shoe Stores

Total sales of footwear and footwear accessories by retail outlets with payroll amounted to $17.0 billion, according to the 1982 census. Of this total, shoe stores accounted for 64.4% general merchandise stores, 19.4%; other outlets, 6.2%. Not including footwear accessories, shoe stores accounted for 71.7% of the $10.6 billion footwear sales in stores with payroll.

The annual County Business Pattern reports issued by the Census Bureau are a source of information on the number of shoe stores by employment size, and the latest issue currently available covers the year 1984. Compared with the count in 1982, a gain of 2,311 stores was noted in the 1984 total. This increase in specialty store operations is expected to be continued in 1986 and 1987 in view of the announced plans of large suppliers and retailer operations.

Number of Shoe Stores By Employment Size Class: 1982, 1984

	Employment Size Class							
	Total		Under 20		20-99		100 or more	
	1984	1982	1984	1982	1984	1982	1984	1982
Number of stores	37,734	35,423	37,126	34,912	595	497	13	14
Number of employees	194,344	191,327	175,254	174,223	17,480	12,365	1,610	4,739
Annual Payroll (mil. $)	1,738.1	1,591.3	1,574.9	1,446.8	149.2	*	14.0	*

* combined total: $109.5 million.

Source: U.S. Bureau of the Census:
County Business Patterns.

Current information on employment in shoe stores, including stores without paid employees is compiled by the Bureau of Labor Statistics. (Besides its broader coverage, the BLS and Census Bureau use different methods in compiling their statistics on employment.)

According to preliminary figures for the month of July 1987, issued by the BLS, shoe store employment numbered 211.1 thousand, which was 5.5% above the total of 200.1 thousand reported for July 1986. Employment for the year 1986 averaged 204.7 thousand, down from 207.2 thousand in 1985; 211.6 thousand in 1984.

Retail Outlet Types

Shoe Stores (continued)

The trend in failures involving losses to creditors among shoe stores has grown sharply since 1980 although liabilities are down, as the fall-out involves smaller operations.

Shoe Store Failures & Liabilities, 1980-1986

Year	Number	Liabilities ($000)
1980	80	$ 51,330
1981	116	12,148
1982	153	70,170
1983	236	29,876
1984	347	50,621
1985	310	26,113
1986	330	34,999

Source: Dun & Bradstreet, Inc.

Some of the larger U.S. footwear suppliers are involved not only with manufacturing in the U.S. and/or sourcing abroad, but also operate retail footwear companies. As noted in the section on Athletic Footwear Suppliers, this is a growing development as suppliers seek greater control over the marketing process.

In addition, retail chains operating department stores or general merchandise stores such as Woolworth and Penney have entered (or plan to enter) into the specialized shoe retailing business. An analysis of the available financial results of primarily shoe retailing companies in 1986 (Footwear News, July 6, 1987) indicated the year's sales growth for the group at only 4.7% compared with 1985. Because of the very poor profit performance in 1985, 1986 results were relatively good and registered a gain of 16.8%.

Sales & Operating Profits of the Leading Footwear Retailers
(Millions of dollars)

	Footwear Sales			Footwear Operating Profit		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Kinney Shoe (F.W. Woolworth)	$1,820.3	$1,608.7	+13.2%	$228.0	$188.1	+ 21.2%
Melvile Corp.	1,526.1	1,527.9	- 0.1	164.3	157.6	+ 4.3
Brown Group	1,050.1	1,078.1	- 2.6	65.9	82.7	- 20.3
Volume Shoe (May Dept. Stores)	933.8	763.4	+22.3	135.2	100.1	+ 35.1
Morse Shoe, Inc.	585.6	541.0	+ 8.2	31.8	22.8	+ 39.5
Edison Bros. Stores	569.6	525.4	+ 8.4	43.0	21.0	+104.8
Total	6,485.5	6,044.5	+ 7.3	668.2	572.3	+ 16.8

Note: For companies involved in the manufacture of footwear as well as retailing the above figures including both footwear operations.

Source: Footwear News (July 6, 1987), based on annual reports.

RETAIL TRADE

Retail Outlet Types

Shoe Stores (continued)

The National Shoe Retailers Association, New York, compiles annual reports on shoe store operations, including the following.

Shoe Stores: Selected Operating Ratios By Store Type: 1985
(Average Per Store)

	All Stores	Family	Men's	Women's	Children's
Net sales	$356,465	$431,026	$208,290	$289,092	$242,051
1985/84 Gain/Loss	+ 3.21	+ 4.6	+ 5.5	+ 2.2	- 1.3
Initial markup (%)	53.05	51.4	52.3	55.5	55.2
Gross margin (%)	43.8	41.2	45.8	42.2	47.3
Markdowns (%)	19.6	20.9	13.6	29.9	17.6
Stock turnover	2.07	1.9	1.7	2.7	2.1
Average square feet	2,437	3,359	1,819	1,590	1,319
Sales per square foot ($)	146	128	114	184	184
Average inventory cost ($)	97,076	124,417	63,408	69,260	63,774
Inventory change, 1985/84	+ 8.5	+ 3.3	+ 8.3	+ 2.8	- 8.3

Source: National Shoe Retailers Association: 1986 Shoe Store Operational Study.

Shoe Store Expenses & Profits: 1982-1985
(Percent of sales)

	1985	1984	1983	1982
Total sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	56.4	56.3	56.6	55.9
Gross margin	43.8	43.7	43.5	44.1
Expenses	43.1	42.4	42.9	43.7
Pretax operating profit	1.0	1.6	0.7	6.9
Pretax net income	2.6	3.1	1.2	1.3

Source: National Shoe Retailers Association: 1986 Shoe Store Operational Study.

Monthly and annual sales figures for retail stores are compiled by the U.S. Bureau of the Census. Last year, in line with the procedure used in reports on the complete census of retail trade covering 1982, the Bureau revised its sales estimates to include leased shoe departments as separate shoe stores, rather than to include the figures in sales of the lessors. The current reports are based on sample surveys of U.S. retailers. (Sales figures are in current dollars).

Retail Outlet Types

Shoe Stores (continued)

Shoe Store Sales: Selected Years 1982-1986
(Millions of dollars)

	1986	1985	1982	Percent Change 1986/85	1985/84	1986/82
Shoe stores, total	$14,927	$14,010	$11,419	+ 6.5%	+ 8.5%	+30.7%
Stores in chains of 11 or more stores	9,055	8,122	6,222	+11.5	+ 9.6	+45.5

Source: U.S. Department of the Census: Bureau of the Census, Revised Monthly Sales and Inventories (BR-13-86S).

In the first seven months of 1987, shoe store sales registered a healthy gain of 10.6% compared with volume in the same 1987 period. Meanwhile, sales of the apparel and accessory store group as a whole were up only 7.0%; total retail sales excluding the automotive group rose only 4.8%. For multiunit stores (11 or more) the Bureau reported a sales gain of 8.5% in January-July 1987.

Monthly Pattern in Shoe Store Sales, 1985, 1986
(Percent of year's sales by months)

Year	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1986	100.0	6.5	6.1	6.9	8.0	8.7	7.8	7.2	9.6	8.4	8.4	8.8	11.6
1985	100.0	6.7	6.1	8.4	9.1	8.8	8.1	7.2	9.2	8.3	8.3	8.8	11.0

Source: Based on Monthly Retail Trade Reports, U.S. Bureau of the Census.

Department Stores

Department stores, including traditional as well as discount department stores, and department stores operated by the mail order or national chains, had footwear sales amounting to $2.7 billion in 1982, according to the latest census of retail trade. This was about 29% of the reported total for footwear sales in all outlets. Not included in the department store figures are sales in leased departments.

Footwear accounted for 2.7% of total store sales that year, and based on the same percentage, in 1986 footwear sales in all types of department stores would have amounted to $3.6 billion, up from an estimated $3.4 billion in 1985.

Merchandising and operating results in the typical department store reporting to the National Retail Merchants Association for the year 1985 were reported as follows.

Department Stores (continued)

Merchandising & Operating Results of Footwear In Department Stores With Total Sales Over $1 Million, 1985

(Median results)

	Total All Footwear Depts. (56)	Women's, Misses' & Juniors' Footwear (53)	Men's Footwear (41)	Children' Footwear (27)
Net sales, % change from last year	-.6	-1.1	.7	- 5.0
Sales, % to total store sales	4.8	4.0	.8	.3
$ sales per square foot of selling space (main or largest unit)	170.1	175.2	266.6	143.7
Cumulative markon, %	51.1	51.8	48.0	49.1
Gross margin, % of sales (incl. cash discounts)	40.2	40.8	39.4	37.8
Advertising, % of net sales	3.9	3.8	3.6	2.1
Selling salaries, % of net sales	9.9	10.4	11.1	10.7
Number of stock turns (times)	2.1	2.3	1.7	1.3

* Number in Parenthesis refers to the number of companies reporting in each category.

Source: National Retail Merchants Association: Merchandising and Operating Results (1986 edition).

The growing popularity of walking shoes, particularly among older women, is a development that favors department stores.

These stores, which are pretty much out of the market for performance athletic footwear--are benefitted, too, by the fashion importance of athletic footwear used for street and leisure wear. They are the leading outlet type for athletic footwear as a whole, according to Kurt Salmon Associates (but not including branded athletic footwear).

Athletic Footwear Market

The explosion in demand for running shoes, and the emergence of Nike in the early 1970's, started the athletic footwear revolution, and the growth of specialized athletic footwear stores. The market was stimulated by the tremendous growth in consumer interest in sports/fitness participation, then by the growth in demand among non-participants who wanted the "look" or the comfort offered by many of the athletic footwear classifications. In the early stages of development, the industry focused on performance footwear, then increasingly focused on constructions and styles that consumers adopted for street wear. Reebok was in the forefront of this development, with its garment leather aerobic shoes.

Athletic Footwear Market (continued)

The market became increasingly volatile and segmented, with switches in demand for performance shoes responding to changes in the "in" sports, and demand for athleisure or street footwear swinging with the fashion pendulum. More fashion in footwear has brought higher price points, contributing to sales growth, but has also brought problems in inventory control.

According to Footwear News (Jan. 15, 1987), over 80% of athletic footwear purchases are for street wear. Another source, American Sports Data (ASD), Hartsdale, N.Y., estimates that only 30% of athletic footwear buyers actually participate at all in the sports for which functional athletic footwear is designed.

Nevertheless, active participants, and the changing mix in relation to age and sex, as well as sports, remain the focus of the industry and determine the direction of the general consumer market.

A major development in regard to sports participation has been the fall-out in popularity of running. Fitness walking and cycling, however, are filling the gap. According to the National Sporting Goods Association (NSGA), the number of Americans who see themselves as exercise walkers grew almost 30% from 1985 to 1986 to 53.5 million. The number of runners declined 12% at the same time, to 23.1 million. Hikers numbered 17 million. According to American Sports Data, Inc. some 4.5 million Americans can be classified as "serious walkers". Over half the walkers are over age 55, in contrast with the much younger typical runner, most of whom are under 35.

Women have become a growing factor in the market for athletic footwear, not only because of their interest in fitness and sports participation, but particularly in their preference for athletic footwear for street wear. Tennis and basketball shoes were reported to be providing the hottest active streetwear trend in 1987. As for growth in a participation sport, a market study by Reebok finds that the cycling arena offers an even bigger opportunity than walking. There are 80 million participants, according to this source, and adults represent about 51% of the total. Women make up 55% of this market.

The steps various large suppliers are taking in bringing out footwear to fit the demands of the active market have been covered in the section on Athletic Footwear Suppliers. The potential market represented by active participants is profiled in the following counts by the NSGA. (Definitions of "participants", it will be noted, vary by source, and figures may not agree).

Total Number of Participants in Selected Sports & The Percent Represented by Women
(Number in millions)

Sports	Number	% Women
Exercise walking	53.5	64.5%
Bicycling	49.7	52.4
Running	30.0	47.3
Aerobic exercise	21.9	86.8
Volleyball	20.7	52.1
Basketball	21.2	27.3

Source: National Sporting Goods Association, (Footwear News, July 20, 1987).

Athletic Footwear Market (continued)

The NSGA finds that a large percentage of new participants in many sports are women, fueling growth, though, overall, men outnumber women participatns in most sports. This development is changing the look of athletic footwear, but more importantly, affecting production schedules and merchandising. It is contributing to the short life of styles as well as to changing patterns of distribution.

In golf shoes, for example, new players (men and women) estimated at 40,000 this year, are joining the two million already playing to swell demand for golf shoes, projected to a 3.4 million pair market ths year. The styles in demand are influenced by athletic footwear styles which these newcomers are used to, and purchases are made in discount and mass merchandiser stores, instead of almost totally in pro shops and specialty stores as in the past.

The main source of distribution for branded athletic lines is in sporting goods and athletic shoe stores, or through leased department operated by specialty athletic footwear operations. As previously noted in the secton on Athletic Footwear Suppliers, the current trend on the part of suppliers and the large retail chains is toward more specialized outlets, catering to both the active participant and the street active customer.

Total retail sales of all types of athletic footwear have been estimated at over $4.0 billion at the present time. The NSGA placed 1986 volume at a conservative $3.2 billion, up 7% over the 1986 total. The biggest growth in sales last year was in aerobic footwear -- up 87% over 1985. Cycling shoes, which are expected in some quarters to be the current hot item, did not show up in 1986 data by NSGA as a separate classification. Average prices were up for most categories, but units were down except for aerobic footwear.

Sales of Athletic Footwear in Selected Classifications: 1985, 1986*
(In millions)

	Pairs			Dollars		
	1986	1985	% Change	1986	1985	% Change
Aerobics	10.8	5.8	+ 86.2%	$332.8	$177.5	+ 87.5%
Basketball	5.4	5.6	- 3.6	186.8	185.4	+ 0.8
Gym shoes, sneakers	26.9	30.0	- 10.3	585.8	655.5	- 10.6
Jogging/running	17.1	17.6	- 2.8	545.2	572.0	- 4.7
Tennis	17.6	18.7	- 5.9	447.7	469.7	- 4.7
Walking	11.2	na	--	368.4	na	--
Workout/fitness	4.7	na	--	150.7	na	--

na not available
* Not including specialized shoes worn for golf, bowling, baseball, hiking, etc.

Source: National Sporting Goods Association
(Stores magazine, July 1987).

Athletic Footwear Market (continued)

Views of market potential previously discussed, as seen by suppliers, would indicate a stronger market in 1987 for walking shoes as well as cycling shoes. A sizeable quantity of athleisure footwear may not be included in the NSGA data.

In addition, athletic footwear suppliers have a large stake in athletic footwear for infants and children. Kormos, Harris & Associates, Inc., Nashville, a footwear marketing research firm has reported that in a 12-month period ending April 1987, athletic shoes (including sneakers) accounted for 73% of all footwear sold to boys age 3-10; 45% of the total girls' footwear market and 48% of the infants' market. In pairs the totals were: boys', 50.2 million; girls', 23.3 million; infants', 25.4 million.

Consumer purchases of all types of athletic/tennis footwear tracked in the Kormos, Harris FMI (Footwear Market Index) studies showed the following results for 1986 compared with 1985.

Market Size Estimates On Athletic/Tennis Footwear: 1982, 1985, 1986
(Thousands of pairs)

	1986	1985	1982
Total	279,485	237,207	172,514
Men's	104,261	87,158	61,153
Women's	104,468	85,480	58,709
Boys'	47,972	43,902	34,560
Girls'	22,784	20,667	18,092

Source: Kormos, Harris & Associates, Nashville, Tenn.

As the American consumer has accepted aerobics, tennis, running and basketball shoes as the favored item for comfort and leisure wear in place of traditional dress and casual categories, traditional shoe stores are now selling more athletic shoes than sporting goods stores, according to an analysis by Footwear News (January 5, 1987). Although major branded athletic shoe companies have concentrated their marketing efforts on the traditional sporting goods market, their planning, as covered in previous sections of this Fact File, shows a broadening of efforts to capture the new consumer.

According to the FN report, in 1986 in the men's market the single largest share of athletic footwear business was held by shoe stores of all types (28%), sporting goods stores accounted for 15%; discount stores, 24%, (based on pairs). Women bought 29% of their athletic shoes in shoe stores; 24% in discount stores, 10% in sporting goods stores, 8% in department stores.

An NSGA report, which was based on consumer responses covering types of shoes purchased, place of purchase, etc., and therefore colored by consumers' perceptions, included the following information on type of retail outlet in which specified athletic footwear was purchased in 1986.

Athletic Footwear Purchases By Type of Retail Outlet: 1986
(Percent of total purchases)

Shoe Types: Store Types	Aerobics	Basketball	Gym/ Sneakers	Jogging	Walking	Fitness
Specialty sporting goods	16.9%	26.9%	11.1%	21.6%	9.1%	18.8%
Specialty athletic footwear	18.7	22.6	8.8	19.7	14.7	18.8
Specialty sport/pro shops	2.5	3.7	2.8	4.3	2.8	5.1
Discount stores	21.7	17.4	34.6	18.6	22.8	20.9
Department stores	28.3	14.1	23.8	22.6	27.3	23.8
Mail order	2.9	0.6	1.2	2.3	3.9	1.5
Catalog showrooms	0.3	--	0.1	0.3	0 5	0.3
Other (incl. traditional shoe stores)	8.7	14.7	17.6	10.6	18.9	10.8

Source: NSGA (Stores Magazine, July 1987).

CONSUMER BUYING HABITS

Based on purchases tracked among 11,500 households representative of the U.S. population, MRCA Information Services has developed information on monthly purchase patterns reported for footwear, which has been reported by the Newspaper Advertising Bureau.

Monthly Pattern in Purchases (Pairs)
(Index: monthly average for year = 100)

	Women's	Girls'	Boys'
Monthly average	100.0	100.0	100.0
January	81.0	62.0	66.6
February	84.6	56.4	67.8
March	105.6	101.4	104.8
April	116.2	135.7	120.1
May	118.1	91.6	89.2
June	123.2	124.4	103.6
July	96.5	91.7	86.9
August	95.0	147.5	152.6
September	97.0	108.4	117.1
October	83.1	75.6	70.4
November	90.9	99.8	85.1
December	118.4	116.7	123.7

Source: Based on MRCA data published by the Newspaper Advertising Bureau.

CONSUMER BUYING HABITS

Footwear purchases are tracked on a regular basis, covering three four-month periods throughout the year by Footwear Market Index (FMI), as previously noted. Following are selected findings on purchase patterns.

Distribution of the Total Footwear Market (Pairs) By Place of Purchase: 1983, 1986

	1986	1983
Total	100.0%	100.0%
National catalog chains	10.7	11.7
Department stores	11.4	12.6
Discount stores	20.0	17.5
Apparel specialty	1.8	2.6
Family shoe stores	19.8	16.8
Shoe specialty stores (men's, women's, or children's)	19.4	22.2
Sporting goods/pro shops	3.6	2.8
Mail order	2.0	2.0
Factory outlets	2.4	3.0
All other outlets	8.8	10.0

Average Price Paid For Footwear: 1983-1986

	1986	1985	1984	1983
Average Total Price (regular & sales)	$26.28	$25.80	$26.06	$26.58
Average regular price	31.91	31.33	31.21	30.91
Percent on sale	53.5%	53.1%	51.4%	47.7%

Source: Kormos, Harris & Associates
Nashville, Tenn. Footwear Market Index.

Teenage Girls

In October 1986, Seventeen Magazine conducted a mail survey among 4,000 members of their Consumer Panel, representing a cross-section of the teenage market, (girls age 13-19) in the U.S.. Following are results on Back-To-School Buying Plans projected to 12,289,000 teenagers in the U.S.. 93.1% of the girls had purchased shoes, 87.2% had purchased sneakers, and 52.3% had purchased boots for Back-To-School/Fall wear.

Back-To-School Footwear Purchases by Teenage Girls

	No. of Pairs	Expenditures
Projected total (thousands)	77,478	$2,384,666
Percent	100.0%	100.0%
Types of footwear purchased:		
Dress	30.1	27.1
Casuals	24.5	22.1
Boots	12.5	19.1
Tennis	6.7	6.4
Hightops	5.8	6.4
Aerobics	5.3	5.9
Jogging	3.0	3.2
Other Sneakers	3.4	2.7
Formal evening	3.6	4.5
Other	1.7	0.7

Source: Seventeen's Back-To-School Study, 1986.

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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MEN'S TAILORED CLOTHING, SEPARATES AND RAINWEAR

Market Trends

Following a period of a depressed consumer market for men's suits in the mid-1980's, a predicted revival has become a reality and advance buying by retailers indicates a good Fall 1988 season. The most significant factor triggering this upsurge is the introduction of and surprisingly quick consumer response to the international model, a hybrid that borrows the best of both traditional and European lines, with a wider point-to-point shoulder measurement. "Crossover" suits team typically British fabrics with Italian details and vice versa. Pleated pants help these suits to make their fashion statement.

New international models have given the retail suit business a new lease on life with better price points and without the need to resort to promotional tactics. This has left stores' inventories clean, leading to optimistic predictions by clothing executives that 1988 will be the second banner year in a row for suits, providing the U.S. economy does not sink into a severe recession and also providing costs can be controlled in spite of spiraling fiber prices, particularly for wool.

Also fueling the swelling suit business are double-breasteds, which are making an impact at virtually every level of the market, especially big-ticket items. Usually they account for about 6-7% of volume but currently they are accounting for about 15% and could go to 20%. Some manufacturers forecast that they'll do 40% in the model for Spring 1988, a figure described as unrealistic by others. Double-breasteds are gaining acceptance with younger contemporary men as well as the more mature customer, a significant feat considering changing societal attitudes toward appropriate business attire.

Part of the decline in tailored clothing a few years back has been attributed to more relaxed business environments. As offices move to suburban business malls, a more casual, comfortable dress code has evolved, with many business men and professionals wearing sport coats and slacks rather than suits. How designers develop a product that will make customers want to buy and wear tailored clothing in cases where it is no longer mandatory has long-term implications for the industry.

A return to the production of men's tailored overcoats and topcoats as well as expanded offerings of wool fabrics are aimed at this revived market. Several fabric suppliers, including those selling both domestic and imported woolens, see promising 1988 sales, following strong 1986 and 1987 retail sales. Many in the business attribute the strength of the current market to young men in the U.S. and Europe who "discovered" the once-popular overcoats and topcoats left over from earlier eras in thrift shops, then went on to buy new versions. Others attribute the comeback to young urban professionals' purchases of cashmere and camel hair coats for instant status.

Some market observers feel the present popularity of topcoats is caused by a purely cyclical, long overdue slowdown in raincoat sales, which have peaked after more than a decade. Rainwear retailers, however, still foresee conservative sales growth, pinning their hopes on more fashion-oriented models and the opportunity it presents to do more full-priced selling. They draw confidence from men's recent acceptance of fashion styling in topcoats. Rainwear's promotional past, on the other hand, has trained many shoppers to wait for sales, making the higher-priced fashion end of the business difficult.

Market Trends (continued)

In general, the outlook for the men's tailored clothing business is clouded by recent developments in the stock market, and the lowering of consumers confidence in the economy, as well as sharp increases in costs. Better men's wear business has been expanding in recent years, and it is argued in some quarters that cutbacks by customers, if any are made, will tend to fall more heavily on hard goods--cars, appliances, etc., rather than apparel.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all U.S. manufacturers is compiled every five years by the U.S. Bureau of the Census. Results from the latest (1982), covering operations in the men's tailored industry, are detailed below. Also, comparable data has been reported by the Census Bureau for 1984 and 1985 in the Annual Survey of Manufactures. These surveys are a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity during intercensal periods.

Men's & Boys' Suits & Coats (SIC 2311*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	443	--
Number of establishments, total**	na	433	528	--
Number with 20 or more employees	na	289	343	--
Employees, total (thous.)	64.9	73.9	75.0	- 12.2%
Production workers (thous.)	57.4	63.9	64.8	- 10.2
Payroll (mil. $)	$ 862.5	$ 916.5	$ 876.7	- 5.9
Value added by manufacture# (mil. $)	$1,879.8	$1,788.9	$1,681.2	+ 5.1
Value of shipments ## (mil. $)	$3,321.0	$3,208.8	$3,059.7	+ 3.5
Capital expenditures, new (mil. $)	23.8	38.0	$ 24.6	- 37.4
Machinery & equipment (mil. $)	17.7	27.8	17.0	- 36.3

Men's & Boys' Separate Trousers (SIC 2327*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	269	--
Number of establishments, total**	na	317	356	--
Number with 20 or more employees	na	240	268	--
Employees, total (thous.)	49.7	54.8	56.9	- 9.3%
Production workers (thous.)	42.5	48.1	49.4	- 11.6
Payroll (mil. $)	$ 592.3	$ 612.6	$ 564.9	- 3.3
Value added by manufacture# (mil. $)	$1,122.4	$1,237.7	$1,111.2	- 9.3
Value of shipments ## (mil. $)	$2,234.9	$2,373.2	$2,165.4	- 5.8
Capital expenditures, new (mil. $)	32.2	30.1	$ 35.7	+ 7.0
Machinery & equipment (mil. $)	26.2	21.0	30.6	+ 24.8

(continued)

GENERAL INDUSTRY STATISTICS

Waterproof Outer Garments (SIC 2385*)

	1985	1984	1982	% Change 1985/84
Number of companies	na	na	98	--
Number of establishments, total**	na	102	112	--
Number with 20 or more employees	na	74	76	--
Employees, total (thous.)	8.3	9.1	9.3	- 8.8%
Production workers (thous.)	7.3	7.9	8.0	- 7.6
Payroll (mil. $)	$ 95.6	$ 91.1	$ 101.1	+ 4.9
Value added by manufacture# (mil. $)	$ 182.9	$ 199.9	$ 246.0	- 8.5
Value of shipments ## (mil. $)	$ 386.1	$ 407.0	$ 449.2	- 5.1
Capital expenditures, new (mil. $)	5.0	2.1	$ 4.6	+138.1
Machinery & equipment (mil. $)	2.1	0.9	3.0	+133.3

na not available

* SIC Industry definitions:

2311 Establishments primarily engaged in manufacturing men's, youth's, and boys' suits, coats and overcoats, as well as tailored dress and sportcoats. Establishments primarily engaged in manufacturing uniforms (military, policemen's, firemen's, etc.) are also included. Those manufacturers engaged primarily in making work and sport garments are not included.

2327 Establishments primarily engaged in manufacturing men's, youth's, and boys' separate slacks and trousers.

2385 Establishments primarily engaged in manufacturing raincoats from purchased rubberized fabrics and other waterproof outer garments made from such material as pliofilm and cellophane. The industry includes manufacturers of garments for men, women and children.

** Covers manufacturing establishments (plants) only, and each location is separately counted. Not included are separate auxiliary locations serving the plants (i.e. administrative offices, purchasing offices, sales promotion offices, etc.) Information on establishments in 1984 is from the Census Bureau's County Business Patterns.

# Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes, the best value of measure of individual industries.

## Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made in these industries. The value of the primary product alone (men's furnishings) of these industries, plus the value of these products produced by manufacturers classified in other industries, identified as "product shipments," are shown on pages 16-19.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
1985, 1984 Annual Survey of Manufactures.

GENERAL INDUSTRY STATISTICS

Industry Shipments

Based on data compiled by the Census Bureau, the International Trade Administration (U.S. Department of Commerce) compiles annual projections covering both industry and product shipments on a constant dollar basis for various apparel classifications. Estimates for 1985 and 1986 compared with revised 1984 figures are noted below. These figures show industry "real" growth, eliminating the effects of inflation.

Following a real decline of 5.2% in 1985, industry shipments of men's & boys' separate trousers is estimated to have gained 1.5% in 1986. For suits and coats, a real decline of 1.2% in 1986 followed a fall of 4.1% in 1985.

Value of Industry Shipments of Specified Men's & Boys' Tailored Wear: 1984-1986
(Value in millions of 1982 dollars)

	1986(e)	1985(e)	1984	Percent Change 1986/85	Percent Change 1985/84	Compound Annual Growth Rate 1979-84
Suits & coats (SIC 2311)	$2,878	$2,913	$3,036	- 1.2%	- 4.1%	- 1.4%
Trousers (SIC 2327)	$2,183	$2,151	$2,269	+ 1.5%	- 5.2%	- 0.9%

(e) estimated

Source: U.S. Department of Commerce,
International Trade Administration:
1987 U.S. Industrial Outlook.

Employment & Earnings

Employment data for 1985 and 1986, and August 1986 and 1987 reflects downsizing in the number of production workers in both SIC classifications while the number of non-production personnel remained constant. It should be noted that employment and earnings data issued by the Bureau of Labor Statistics and the Census Bureau are not directly compatible due to differences in methodology used by each agency in compiling the figures.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Employment & Earnings of Selected Men's & Boys' Tailored Wear Industries

	August Averages			Annual Averages		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
Men's & boys' suits & coats:						
All employees (thous.)	56.5	59.3	- 4.7%	60.7	63.7	- 4.7%
Production workers (thous.)	48.6	51.0	- 4.7	52.2	55.6	- 6.1
Average weekly earnings	$237.35	$225.69	+ 5.2	$237.14	$232.75	+ 1.9
Average weekly hours	35.8	34.3	+ 4.4	35.5	35.0	+ 1.4
Average overtime hours	1.2	0.7	+71.4	0.9	0.8	+12.5
Men's & boys' separate trousers:						
All employees (thous.)	54.1	55.6	- 2.7%	55.9	57.5	- 2.7%
Production workers (thous.)	47.3	48.9	- 3.3	48.9	50.4	- 3.0
Average weekly earnings	$195.45	$188.08	+ 3.9	$193.09	$191.33	+ 0.9
Average weekly hours	37.3	36.1	+ 3.3	36.5	36.1	+ 1.1
Average overtime hours	1.5	0.6	+150.0	1.0	1.2	-16.7

Source: U.S. Bureau of Labor Statistics, Employment & Earnings.

Industry Concentration

Single & Multiunit Companies Share of Shipments: 1982

		Plants		Employees		Value of Industry Shipments	
	Companies	No.	%	Thous.	%	Thous.	%
Men's & boys' suits & coats	443	529	100.0%	75.2	100.0%	$3,061.5	100.0%
Multiunit companies	97	183	34.6	51.9	69.0	2,309.2	75.4
Single unit companies	346	346	65.4	23.3	31.0	752.3	24.6
Men's & boys' separate trousers	269	356	100.0	56.9	100.0	2,165.4	100.0
Multiunit companies	71	158	44.4	40.3	70.8	1,645.1	76.0
Single unit companies	198	198	55.6	16.6	29.2	520.3	24.0
Waterproof outergarments	98	112	100.0	9.3	100.0	449.2	100.0
Multiunit companies	31	45	40.2	6.3	67.7	312.2	69.5
Single unit companies	67	67	59.8	3.0	32.3	136.9	30.5

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Type of Organization, Subject Series MC82-S-5.

GENERAL INDUSTRY STATISTICS

Industry Concentration

Share of Value of Industry Shipments Accounted For By The Largest Companies

	No. of Companies	Total (mil. $)	Value of Industry Shipments % Accounted for by largest companies			
			4 largest	8 largest	20 largest	50 largest
Men's & boys' suits & coats						
1982	443	$3,061.5	25%	37%	57%	75%
1977	619	2,767.5	21	32	48	67
1972	721	2,396.9	19	31	48	65
Men's & boys' separate trousers						
1982	269	2,165.4	30	45	64	83
1977	404	1,718.0	25	40	59	77
1972	463	1,745.0	29	41	60	76
Waterproof outergarments						
1982	98	449.2	49	64	84	97
1977	157	348.8	41	52	70	90
1972	236	332.1	31	40	56	79

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Concentration Ratios in Manufacturing MC82-S-7.

Number of Companies With Shipments of Specified Products Valued At $100,000 Or More: 1977, 1982

	1982	1977
Men's:		
Suits (including leisure & uniform)	89	171
Coats (including uniform)	42	72
Dress & sport coats & jackets	108	142
Men's & boys':		
Dress & sport trousers (including uniform)	157	218
Men's, women's & children's:		
Raincoats & rain capes	58	70

Source: U.S. Bureau of the Census:
1982 Census of Manufactures (MC82-1-23B;D).

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

The Men's Tailored Wear Industry by Employment Size, 1982

	Establishments		Value Added by Manufacture		Industry Shipments	
	Number	Percent	(Mil.$)	Percent	Mil. $	Percent
Men's & boys' suits & coats, total	528	100.0%	$1,681.2	100.0%	$3,059.7	100.0%
By establishment size:						
Under 10 employees	128	24.2	34.5	2.1	66.4	2.2
10 - 49 employees	138	26.1	141.4	8.4	359.4	11.7
50 - 249 employees	168	31.8	412.7	24.5	866.9	28.3
250 or more employees	94	17.8	1,092.6	65.0	1,767.1	57.8
Separate trousers, total	356	100.0	1,112.2	100.0	2,165.4	100.0
By establishment size:						
Under 10 employees	68	19.1	10.3	0.9	31.5	1.5
10 - 49 employees	62	17.4	72.5	6.5	190.7	8.8
50 - 249 employees	149	41.9	341.5	30.7	639.6	29.5
250 or more employees	77	21.6	686.9	61.8	1,303.6	60.2
Waterproof outergarments, total	112	100.0	246.0	100.0	449.2	100.0
By establishment size:						
Under 10 employees	20	17.9	(D)	--	(D)	--
10 - 49 employees	50	44.6	34.0	13.9	75.4	16.8
50 - 249 employees	30	26.8	83.5	33.9	167.2	37.2
250 or more employees	12	10.7	(D)	--	(D)	--

(D) Withheld to avoid disclosure by Census Bureau.

Source: U.S. Bureau of the Census: 1982 Census of Manufactures.

Employment Size of Plants in the Men's Tailored Wear Industry & Rainwear Industry By Type of Operation: 1982

	Manufacturers		Jobbers		Contractors	
	Number	Percent	Number	Percent	Number	Percent
Suits & coats (incl. boys')						
Plants, total	195	100.0%	82	100.0%	251	100.0%
Number of employees:						
1 - 19	63	32.3	45	54.9	77	30.7
20 - 99	47	24.1	23	28.0	84	33.5
100 or more	85	43.6	14	17.1	90	35.9
Separate trousers (incl. boys')						
Plants, total	139	100.0	53	100.0	164	100.0
Number of employees:						
1 - 19	37	26.6	28	52.8	23	14.0
20 - 99	33	23.7	15	28.3	34	20.7
100 or more	69	49.6	10	18.9	107	65.2

(continued)

GENERAL INDUSTRY STATISTICS

Industry Concentration (continued)

Employment Size of Plants in the Men's Tailored Wear Industry & Rainwear Industry By Type of Operation: 1982
(continued)

	Manufacturers		Jobbers		Contractors	
	Number	Percent	Number	Percent	Number	Percent
Rainwear (incl. women's)						
Plants, total	44	100.0	23	100.0	45	100.0
Number of employees:						
1 - 19	14	31.8	9	39.1	13	28.9
20 - 99	16	36.4	13	56.5	23	51.1
100 or more	14	31.8	1	4.3	9	20.0

Source: U.S. Bureau of the Census: 1982 Census of Manufactures.

Number of Men's Tailored Wear Manufacturing Plants By Employment Size: 1984, 1983

	1984		1983	
	Number	Percent	Number	Percent
Suits & coats (incl. boys')	433	100.0%	467	100.0%
By establishment size:				
Under 20 employees	144	33.3	163	34.9
20 - 49 employees	54	12.5	64	13.7
50 - 99 employees	64	14.8	62	13.3
100 or more employees	171	39.5	178	38.1
Separate trousers (incl. boys')	317	100.0	377	100.0
By establishment size:				
Under 20 employees	77	24.3	85	25.2
20 - 49 employees	34	10.7	27	8.0
50 - 99 employees	33	10.4	40	11.9
100 or more employees	173	54.6	185	54.9
Rainwear (incl. women's)	102	100.0	337	100.0
By establishment size:				
Under 20 employees	28	27.5	27	25.7
20 - 49 employees	30	29.4	30	28.5
50 - 99 employees	17	16.7	18	17.1
100 or more employees	27	26.5	30	28.5

Source: U.S. Bureau of the Census: County Business Patterns, 1983, 1984.

GENERAL INDUSTRY STATISTICS

Plant Capacity Utilization

For the fourth quarter of 1985, men's and boys' suit and coat manufacturers in the U.S. operated at 94% of the preferred rate compared with 87% in 1983 and 84% in 1982. The preferred rate is defined as a level, normally between actual operations and practical capacity, which the manufacturer would prefer not to exceed due to cost or other considerations. The following figures represent the ratio of actual utilization to the preferred level of operations.

Capacity Utilization Rates: Fourth Quarter 1982 - 1985

Industry	1985	1984	1983	1982
Suits & coats (men's & boys')	94%	na	87%	84%
Separate trousers (men's & boys')	na	na	81	86
Rainwear (men's & women's)	na	63%	96	100

na not available

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Survey of Plant Capacity Utilization, 1985 MC-CI(85)1.

Operating Ratios

	Men's & Boys' Suits & Coats			
	1982	1980	1977	1972
Payroll per employee	$11,689	$10,277	$ 8,330	$ 6,172
Production workers:				
% of total employment	86	87	87	87
Annual hours	1,789	1,798	1,774	1,789
Avg. hourly earnings	$ 5.65	$ 4.62	$ 4.22	$ 3.15
Cost of materials as a % of value of shipments	46	44	45	44
Cost of materials and payroll as a % of value of shipments	74	75	74	77
Value added per employee	$22,416	$19,322	$15,951	$10,755
Payroll as a % of value added	52	53	52	57
Value added per production worker hour	$ 14.43	$ 12.38	$ 10.30	$ 6.93

(continued)

Operating Ratios (continued)

	Men's & Boys' Separate Trousers			
	1982	1980	1977	1972
Payroll per employee	$ 9,928	$ 8,239	$ 6,685	$ 4,821
Production workers:				
% of total employment	87	87	87	90
Annual hours	1,767	1,713	1,738	1,834
Avg. hourly earnings	$ 4.89	$ 4.16	$ 3.46	$ 2.31
Cost of materials as a % of value of shipments	49	46	51	55
Cost of materials and payroll as a % of value of shipments	75	72	79	81
Value added per employee	$19,529	$17,192	$11,927	$ 8,597
Payroll as a % of value added	51	48	56	56
Value added per production worker hour	$ 12.73	$ 11.53	$ 7.86	$ 5.23

	Rainwear/Waterproof Outer Garments			
	1982	1980	1977	1972
Payroll per employee	$10,871	$ 9,053	$ 7,450	$ 5,610
Production workers:				
% of total employment	86	87	84	86
Annual hours	1,737	1,673	1,772	1,780
Avg. hourly earnings	$ 5.36	$ 4.85	$ 3.44	$ 2.66
Cost of materials as a % of value of shipments	46	43	45	50
Cost of materials and payroll as a % of value of shipments	68	71	71	76
Value added per employee	$26,452	$19,177	$16,200	$10,961
Payroll as a % of value added	41	47	46	51
Value added per production worker hour	$ 17.70	$ 13.21	$ 10.86	$ 7.18

NOTE: Values are in current dollars

Source: U.S. Bureau of the Census: 1982 Census of Manufactures.

Industry Location

Industry Statistics For Leading States: 1982

Industry	All Plants		Employees		Value added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Men's & boys' suits & coats						
U.S. total	528	343	75.0	100.0%	$1,681.2	100.0%
Leading states:						
Pennsylvania	95	72	16.1	21.5	380.3	22.6
New York	134	57	9.3	12.4	211.5	12.6
Massachusetts	36	25	6.3	8.4	189.0	11.2
Georgia	25	22	5.8	7.7	121.6	7.2
Ohio	8	7	2.9	3.9	119.2	7.1

(continued)

GENERAL INDUSTRY STATISTICS

Industry Location (continued)

Industry Statistics For Leading States: 1982
(continued)

	All Plants		Employees		Value added By Manufacture	
	Total	With 20+ Employees	No. (thous.)	% of Total	Mil. $	% of Total
Men's & boys' separate trousers						
U.S. total	256	268	56.9	100.0%	$1,111.2	100.0%
Leading states:						
Texas	24	22	9.0	15.8	201.9	18.2
Georgia	47	44	9.7	17.0	174.7	15.7
Tennessee	34	25	3.8	6.7	77.9	7.0
Mississippi	15	14	4.4	7.7	76.4	6.9
New York	57	25	1.7	3.0	69.5	6.3
Waterproof outergarments						
U.S. total	112	76	9.3	100.0%	$ 246.0	100.0%
Leading states:						
New York	24	16	0.6	6.5	23.3	9.5
Massachusetts	12	9	1.5	16.1	22.4	9.1
New Jersey	9	6	0.5	5.4	11.9	4.8
Georgia	6	5	0.4	4.3	7.9	3.2
Florida	5	5	0.2	2.2	5.4	2.2

Source: U.S. Bureau of the Census:
1982 Census of Manufactures.

PRODUCTION

Data on the production of men's tailored clothing and rainwear is reported in the Current Industrial Reports compiled by the U.S. Bureau of the Census. All known manufacturers in the industry, except very small producers (generally less than five employees), are surveyed for these annual reports. Figures include garments assembled abroad and shipped back to U.S. cutters under the terms of Item 807 of the Tariff Schedule.

1986 domestic production varied considerably by classification with the net result that output was relatively unchanged from 1985 (down 2.2%). One significant downturn was in production of rainwear, an area beseiged by the rising tide of inexpensive imported merchandise. Manufacturers are fighting back by turning to performance fabrics and higher price points.

PRODUCTION

Production of Men's Tailored Clothing & Rainwear, 1985, 1986
(Thousands of units)

	1986	1985	% Change 1986/85
Tailored clothing	149,661	153,039	- 2.2%
Tailored suits, incl. uniforms	10,822	10,819	+ 0.02
Trios	275	234	+ 17.5
Uniform suits	193	143	+ 35.0
Overcoats, topcoats & tailored suburban & car coats, incl. uniform	1,523	1,481	+ 2.8
Uniform coats	281	360	- 21.9
Tailored suit-type dress & sportcoats, incl. uniform	19,176	19,615	+ 0.5
Uniform coats & jackets	1,273	1,562	- 18.5
Separate vests, exc. sweater vests	724	1,007	- 28.1
Separate dress & sport trousers, incl. uniform	113,938	116,517	- 2.2
Corduroy	3,899	na	--
Uniform	6,981	5,597	+ 24.7
Raincoats, including uniform (men's & boys')	2,938	3,600	- 18.4

na not available

Explanation of Terms:

Tailored uniform suits:
Includes military, guards, band, police, fire, etc. Nontailored worktype suits, such as delivery drivers and gas station attendants are included in other categories.

Trios:
Includes tailored suits with a matching and contrasting pair of pants.

Overcoats, topcoats & tailored suburban, car & stormcoats:
Includes only tailored items including uniform, reversible, zipper-lined, fingertip, and wool water-repellent coats, excludes raincoats.

Raincoats:
Includes waterproof outercoats and water-repellent coats of cotton and man-made fibers including uniforms.

Separate vests including uniform:
Includes vests not part of suits, excludes sweater vests.

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(86)-1
(July 1987).

PRODUCTION

By Fabric

Production of Reported Categories of Men's Tailored Wear By Fabric, Construction & Wholesale Price: 1985, 1986

(Thousands of units)

	1986	1985	% Change 1986/85
Tailored suits, including uniform	10,822	10,819	+ 0.02%
By fabric:			
All cotton & chiefly cotton	707	288	+145.5
Man-made/wool blends, chiefly man-made	4,075	3,976	+ 2.5
All man-made & chiefly man-made except man-made/wool blends	2,310	2,632	- 12.2
All wool & chiefly wool	3,284	3,356	- 2.1
All other fabric	260	338	- 23.1
Fabric, n.s.k.	186	229	- 18.7
By Wholesale price:			
Under $52.50	1,594	na	--
$52.50 - $99.99	3,385	na	--
$100.00 - $149.99	2,090	na	--
$150.00 - $199.99	2,163	na	--
$200.00 and over	897	na	--
Price n.s.k.	693	na	--
Overcoats, topcoats and tailored suburban and car coats, including uniform	1,523	1,481	+ 2.8
By fabric:			
All man-made & chiefly man-made	662	665	- 0.5
All wool & chiefly wool	607	542	+ 12.0
All other fabric	222	252	- 11.9
Fabric, n.s.k.	32	22	+ 45.4
Men's & boys' raincoats, including uniform	2,938	3,600	- 18.4
Plastic (with or without fabric trim) Rubberized and/or coated fabric	1,866	1,837	+ 1.6
Uncoated fabric:			
All cotton & chiefly cotton	25	27	- 7.4
All man-made & chiefly man-made	899	1,605	- 44.0
All other fabric	19	24	- 20.8
Fabric, n.s.k.	129	107	+ 20.6
Tailored suit-type dress & sport coats including uniform	19,716	19,615	+ 0.5
By fabric:			
All cotton & chiefly cotton	1,848	2,007	- 7.9
Man-made/wool blends, chiefly man-made	5,934	5,820	+ 2.0
All man-made & chiefly man-made except man-made/wool blends	5,372	5,049	+ 6.4
All wool & chiefly wool	5,593	5,819	- 3.9
All other fabric	770	725	+ 6.2
Fabric, n.s.k.	199	195	+ 2.1

(continued)

PRODUCTION

By Fabric

Production of Reported Categories of Men's Tailored Wear By Fabric, Construction & Wholesale Price: 1985, 1986

(Thousands of units)
(continued)

	1986	1985	% Change 1986/85
By wholesale price:			
Under $35.00	5,230	na	--
$35.00 - $49.99	4,522	na	--
$50.00 - $64.99	1,646	na	--
$65.00 - $79.99	2,202	na	--
$80.00 - $94.99	602	na	--
$95.00 - $109.99	1,261	na	--
$110.00 and over	1,756	na	--
Price n.s.k.	1,645	na	--
Separate vests, excluding sweater vests	724	1,007	- 28.1%
By fabric:			
All cotton & chiefly cotton	243	231	+ 5.2
All man-made & chiefly man-made	369	601	- 38.6
All wool and chiefly wool	44	101	- 56.4
All other fabric	20	22	- 9.1
All wool and chiefly wool	550	693	- 20.6
Fabric, n.s.k.	48	52	- 7.7
Separate dress & sport trousers, including uniform	113,938	116,517	- 2.2
By fabric:			
Woven fabric:			
All cotton & chiefly cotton	16,698	15,493	+ 7.8
Man-made/wool blends, cheifly man-made	18,886	19,059	- 0.9
All man-made & chiefly man-made, except man-made/wool blends	64,195	65,876	- 2.6
All wool & chiefly wool	7,850	8,190	- 4.2
All other fabric	1,000	1,928	- 48.1
Knit fabric:			
All cotton & chiefly cotton	(D)	(D)	--
All man-made & chiefly man-made	4,504	5,123	- 12.1
All wool and chiefly wool	550	693	- 20.6
Fabric, n.s.k.	(D)	(D)	--
By wholesale price:			
Under $5.99	632	na	--
$6.00 - $9.99	16,696	na	--
$10.00 - $13.99	58,491	na	--
$14.00 - $17.99	12,513	na	--
$18.00 - $21.99	4,973	na	--
$22.00 and over	9,343	na	--
Price, n.s.k.	11,290	na	--

na not available
n.s.k. not specified by kind.
(D) Withheld to avoid disclosure of specific companies by Census Bureau.

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(86)-1
(July 1987).

PRODUCTION

Materials Consumed in Production

Materials Consumed in Production of Men's & Boys' Tailored Clothing: 1977, 1982

(Delivered cost in millions of dollars)

	1982	1977	% Change 1982/1977
Men's & boys' suits & coats, total	$897.7	$846.8	+ 6.0%
Broadwoven fabrics	500.8	445.2	+ 12.4
Purchased knitted fabric	75.3	57.1	+ 31.9
All other materials, components, parts, containers and supplies	184.2	161.5	+ 14.1
Materials, parts, containers & supplies, n.s.k.	137.4	183.0	- 24.9
Men's & boys' separate trousers, total	695.2	658.2	+ 5.6
Broadwoven fabrics	370.9	316.5	+ 17.2
Purchased knitted fabric	119.4	94.5	+ 26.3
All other materials, components, parts, containers and supplies	126.3	111.0	+ 13.8
Materials, parts, containers & supplies, n s.k.	78.6	136.2	- 42.3
Waterproof outergarments, total	$157.1	$105.2	+ 49.3%
Broadwoven fabrics	99.8	51.6	+ 81.1
Purchased knitted fabrics		3.3	
All other materials, components, parts, containers & supplies	35.2	21.7	+ 62.2
Materials, parts, containers & supplies, n.s.k.	22.1	28.6	- 22.7

n.s.k. not specified by kind.

Source: U.S. Bureau of the Census:
Census of Manufactures, 1982,
MC82-I-23A; MC82-I-23D.

Seasonal Patterns in Production

Men's Tailored Wear: Percent of Years Cuttings by Month, 1985, 1986

	Suits		Overcoats & topcoats		Sport & dress coats		Sport & dress trousers	
	1986	1985	1986	1985	1986	1985	1986	1985
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
January	9.3	10.4	7.5	5.7	7.9	8.8	9.0	8.9
February	9.1	9.0	6.2	6.3	7.8	7.9	9.0	9.5
March	8.4	9.4	6.8	7.5	7.7	8.5	9.2	10.3
April	9.5	8.1	6.2	7.6	8.6	9.0	9.4	8.5
May	9.4	8.7	6.3	6.3	7.6	8.2	8.1	9.1
June	7.8	7.6	7.2	6.7	8.3	8.2	7.3	7.6
July	5.7	5.8	8.1	7.6	7.2	6.8	6.8	7.1
August	7.5	8.0	11.8	11.6	8.7	9.1	8.2	8.8
September	8.2	8.5	15.2	12.2	9.6	9.2	8.7	8.0
October	9.4	8.8	11.4	12.2	10.4	9.6	8.8	8.2
November	8.1	8.4	8.5	8.8	8.7	7.7	7.9	7.8
December	7.6	7.1	4.9	7.6	7.6	7.0	7.5	6.3

Source: U.S. Bureau of the Census:
Current Industrial Reports;
Men's & Boys' Outerwear, MA-23E(86)-1
(July 1987).

PRODUCT SHIPMENTS

In contrast with "industry shipments" previously covered and defined on page 3, the value of specific products shipped by all manufacturers (product shipments), regardless of industry classification, is reported by the Census Bureau.

In addition, the International Trade Administration compiles trend information on some products covering the value of shipments on a constant dollar basis, eliminating the effects of inflation.

Trends In The Constant Dollar Value Of Shipments
Of Men's & Boys' Tailored Clothing By All Producers
(Based on 1982$)

	Percent Change			
	Compound Annual		Annual	
	1972-1984	1979-1984	1984-1985	1985-1986
Suits/Coats	- 3.4%	- 1.4%	- 4.1%	- 1.2%
Trousers	- 2.8	- 0.9	- 5.2	+ 1.5

Source: International Trade Administration: 1987 U.S. Industrial Outlook.

The total value of shipments of men's tailored wear (not including rainwear) shipped by all U.S. producers was reported at $3.7 billion in 1982, based on a complete census of manufactures. This was 10.4% over the 1977 total (current dollars).

Quantity & Value of Shipments: 1982, 1977

	Quantity (thous.)		Value (mil. $)	
	1982	1977	1982	1977
Total reported	175,741	201,972	$3,738.1	$3,384.5
Men's:				
Suits	11,368	19,362	1,078.6	1,273.4
Overcoats & topcoats	2,620	5,197	126.6	179.8
Tailored dress & sport coats & jackets	19,809	19,514	944.0	623.0
Separate dress & sport trousers	141,944	157,899	1,588.9	1,308.3

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, (Industry Series MC82-1-23A; D).

Current information on a quarterly and annual basis on the value of shipments of men's wear is reported by the Census Bureau in the Current Industrial Reports, described in the section on production. Small manufacturers, for which estimates are compiled by the Bureau in the complete Census of Manufactures, are not included in the CIR reports.

PRODUCT SHIPMENTS

Value of Shipments of Specified Men's Wear: 1985, 1986
(Millions of dollars)

	1986	1985	% Change 1986/85
Total, all reported tailored wear	$3,551.5	$3,449.5	+ 3.0%
Suits, including uniform	1,216.4	1,195.6	+ 1.7
Overcoats & topcoats, including uniform	96.7	96.5	+ 0.2
Tailored dress and sport coats, incl. leisure and uniform coats & vests	1,126.3	1,088.6	+ 3.4
Separate vests, excluding sweater vests	14.2	19.8	- 28.3
Rainwear, including uniform*	1,112.1	1,068.8	+ 4.1

* includes boys'

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Men's & Boys' Outerwear, MA-23E(86)-1.

Concentration of Product Shipments

Share of Specified Men's Suit, Coat & Rainwear Shipments
By Largest U.S. Manufacturers: 1982, 1977, 1972

	Product Shipments (mil. $)	Percent of value accounted for by the largest companies			
		Top 4	Top 8	Top 20	Top 50
Suits, incl. uniform & leisure					
1982	$1,078.6	37%	51%	74%	95%
1977	1,273.4	33	45	66	85
1972	898.5	28	42	64	83
Overcoats & tailored car coats					
1982	126.6	31	53	88	100
1977	179.8	28	46	75	97
1972	100.4	31	48	77	98
Separate dress & sport trousers*					
1982	1,588.9	30	46	67	89
1977	1,308.3	28	39	57	78
1972	1,394.1	29	41	61	81
Rainwear**					
1982	357.0	48	64	86	98
1977	313.1	34	46	68	90
1972	291.2	33	43	60	83

*includes boys'
**includes women's and children's

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Concentration Ratios in Manufacturing.

PRODUCT SHIPMENTS

By Geographic Region

Value of Product Shipments of Tailored Wear and Rainwear By Leading State, 1982
(Millions of dollars)

	Value of Shipments
Men's suits, including leisure & uniform	
U.S. total	$1,078.6
Leading states:	
Pennsylvania	232.2
New York	161.6
Ohio	140.3
Georgia	124.0
Massachusetts	98.7
Leading states total	756.9
Percent of U.S. total	70.1%
Men's overcoats & tailored car coats	
U.S. total	$ 126.1
Leading states:	
Pennsylvania	25.9
Massachusetts	22.3
New York	21.1
Minnesota	6.2
Leading states total	75.5
Percent of U.S. total	59.6%
Men's tailored dress & sport coats & jackets	
U.S. total	$ 944.0
Leading states:	
Pennsylvania	216.1
Texas	124.2
Massachusetts	122.4
Georgia	78.6
Ohio	77.2
Maryland	76.7
Leading states total	695.2
Percent of U.S. total	73.6%
Commission work on men's & boys' suits & coats	
U.S. total	$ 493.6
Leading states:	
Pennsylvania	89.2
New York	63.4
Georgia	55.7
Tennessee	47.8
New Jersey	38.4
Leading states total	294.5
Percent of U.S. total	59.7%

(continued)

PRODUCT SHIPMENTS

By Geographic Region (continued)

Value of Product Shipments of Tailored Wear and Rainwear By Leading State, 1982
(Millions of dollars)
(continued)

	Value of Shipments
Men's & boys' separate dress & sport trousers	
U.S. total	$1,588.9
Leading states:	
Texas	305.4
Georgia	208.8
New York	154.1
Tennessee	148.2
Missouri	83.9
Leading states total	900.4
Percent of U.S. total	56.7%
Commission work on men's & boys' dress & sport trousers	
U.S. total	$ 426.7
Leading states:	
California	70.5
Texas	69.6
Alabama	63.0
Pennsylvania	49.1
Mississippi	36.3
Leading states total	288.5
Percent of U.S. total	67.6%
Raincoats & other waterproof outerwear	
U.S. total	$ 357.0
Leading states:	
Maryland	133.9
New York	53.7
Massachusetts	24.2
Florida	8.3
California	2.5
Leading states total	222.6
Percent of U.S. total	62.4%

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, MC82-I-23A.

PRODUCER PRICE TRENDS

Some dramatic increases in the price of wool fabrics may be in the offing for Fall 1988, leading to higher prices for men's tailored clothing made of wool. This expected price increase comes in the wake of a skyrocketing raw wool market in Australia, the world's largest producer and exporter of apparel wool fibers. It supplies 28% of the world's supply, so that when the price rises, in this case from soaring demands from Japan, China and the Soviet Union, prices in the global marketplace rise accordingly. Since raw materials may constitute half the cost of fabrics, this increase will have to be passed along to U.S. manufacturers.

Producer Price Indexes for Selected Types of Men's Tailored Wear

	August Averages			Annual Averages		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
All apparel (12/84=100)	104.2	102.1	+ 2.1%	102.3	101.1	+ 1.2%
Men's & boys' suits and coats (12/80=100)	125.5	120.1	+ 4.5	121.6	119.9	+ 1.4
Men's business suits (12/80=100)	127.3	118.5	+ 7.4	121.0	118.8	+ 1.9
Regular weight business suits (12/80=100)	126.9	116.2	+ 9.2	119.8	118.2	+ 1.4
Light weight business suits (12/80=100)	128.4	na	--	123.9	120.1	+ 3.2
Men's tailored dress and sport coats and jackets (12/80=100)	122.5	121.2	+ 1.1	120.9	118.7	+ 1.9
Men's and boy's separate trousers (12/81=100)	109.8	107.5	+ 2.1	106.8	103.7	+ 3.0
Men's dress and sport trousers, except uniform (12/81=100)	111.7	108.9	+ 2.6	108.1	104.0	+ 3.9
All wool and wool blends (12/81=100)	102.7	108.7	- 5.5	108.2	106.4	+ 1.7
All cotton and cotton blends (12/81=100)	109.8	104.9	+ 4.7	103.2	97.1	+ 6.3
Waterproof outer garments (6/85=100)	101.2	100.0	+ 1.2	100.5	na	--
Men's and boys' raincoats and raincapes (6/85=100)	102.2	100.0	+ 2.2	100.4	na	--

na not available

Source: U.S. Bureau of Labor Statistics.

FOREIGN TRADE

Preliminary data for the first seven months of 1987 shows a significant increase in U.S. imports of men's & boys' suits from the comparable 1986 period. For the January-July period, imports were up 24.4% in quantity and 22.1% in value from the prior year.

Italy was the largest importer of suits to the U.S. in value over this period, followed by Korea. Korea was the largest importer in terms of quantity. Italian imports grew 28.5% in value and 6.6% in quantity when compared with January-July 1986. Korean imports were up 12.7% and 13.0%, respectively.

The biggest gains were in Taiwanese imports, more than doubling in both value and quantity-up 109% and 102%, respectively. Taiwan has also made a major dent in the U.S. rainwear market with inexpensive merchandise that is causing domestic manufacturers problems.

U.S. Imports & Exports of Men's & Boys' Tailored Clothing
(Quantity in thous. of dozens; value in millions of dollars)

	January-March Total			Annual Total		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
Suits, coats & jackets						
Imports:						
Quantity	1,334	1,284	+ 3.9%	6,195	6,039	+ 2.6%
Value*	$229,858	$204,047	+12.6	$1,034,914	$1,017,933	+ 1.7
Exports:						
Quantity	280	226	+23.9	934	765	+22.1
Value	$ 11,594	$ 9,263	+25.2	$ 36,801	$ 32,608	+12.9
Trousers, slacks & shorts						
Imports:						
Quantity	7,061	5,575	+26.7%	17,876	14,549	+22.9%
Value*	$393,032	$288,679	+36.1	$1,053,189	$ 884,448	+19.1
Exports:						
Quantity	1,090	751	+45.1	3,507	2,629	+33.4
Value	$ 33,562	$ 18,705	+79.4	$ 104,850	$ 75,698	+38.5

*Import value is Customs value, defined as the price actually paid or payable for merchandise when sold for exportation to the United States, excluding U.S. import duties, freight, insurance and other charges incurred in bringing the merchandise to the U.S.

Source: U.S. Industrial Trade Commission (USITC):
U.S. Trade Shifts in Selected Commodity Areas
(USITC Publication 2002).

TOTAL DOMESTIC SUPPLY

Shipments, Exports, Imports & Apparent Consumption
Of Reported Types of Tailored Clothing (Men's & Boys'): 1985, 1986
(Quantity in thousands of dozens; value in millions of dollars)

	Suits		Suit-type Dress and Sport Coats		Trousers, Slacks and Shorts#	
	Quantity	Value	Quantity	Value	Quantity	Value
1986						
Manufacturers shipments*	1,101	$1,278.9	1,738	$1,138.8	47,436	$5,477.6
Exports of domestic mdse.**	10	1.2	54	4.8	2,948	86.8
"807" imports						
Quantity	21	--	184	--	4,217	--
Value: U.S. content	--	0.5	--	19.6	--	181.0
Total value, c.i.f.***	--	5.6	--	31.9	--	249.7
Total imports for consumption						
Quantity	373	--	851	--	17,023	--
Value (c.i.f.)	--	280.9	--	244.7	--	1,288.1
Net new domestic supply	1,464	1,558.6	2,535	1,378.7	61,511	6,678.9
Imports: % of supply	25.5%	18.0%	33.6%	17.7%	27.7%	19.3%
1985						
Manufacturers shipments*	1,108	$1,262.5	1,722	$1,096.3	43,564	$5,040.1
Exports of domestic mdse.**	25	2.0	51	4.9	2,302	63.7
"807" imports						
Quantity	20	--	179	--	2,889	--
Value: U.S. content	--	0.3	--	16.6	--	127.3
Total value, c.i.f.***	--	5.8	--	33.7	--	174.3
Total imports for consumption						
Quantity	441	--	814	--	14,022	--
Value (c.i.f.)	--	287.3	--	254.4	--	1,120.2
Net new domestic supply	1,524	1,547.8	2,485	1,345.8	55,284	6,096.6
Imports: % of supply	28.9%	18.6%	32.8%	18.9%	25.4%	18.4%

# includes jeans
* Value of manufacturers shipments is f.o.b. plant
** Value of exports is value at port
*** C.I.F. value includes cost, insurance and freight to port of entry--duty is not included.

Source: U.S. Bureau of the Census:
Current Industrial Reports (MA23F(86)-1).

THE POTENTIAL MARKET

Population

The fastest growing segment of the male population between the years 1987 and 2005 will be the 35-54 year old bracket. This growth, which reflects the aging of the baby boom generation, will push the number of males in this segment to 40.8 million, accounting for more than 30% of the total male population. The second fastest growing age group will be the 55-64 year old bracket, a group expected to grow almost 34% over the period. These two groups, taken together, have a great deal of discretionary income and will be in their prime earning years, a fact that reflects well for the men's furnishings industry.

Estimated Male Population of the U.S., 1987, and Projections*, 1994, 2005

	Number (thousands)			% Change	Percent Distribution		
	1987	1994	2005	2005/1987	1987	1994	2005
Total, all ages	118,309	125,464	134,297	+ 13.5%	100.0%	100.0%	100.0%
Under 16 years	28,608	30,746	29,723	+ 3.9	24.2	24.5	22.1
16 years & older	89,701	94,718	104,574	+ 16.6	75.8	75.4	77.9
16 - 19	7,546	6,712	8,058	+ 6.8	6.4	5.3	6.0
20 - 34	31,767	29,725	27,416	- 13.7	26.9	23.7	20.4
35 - 54	28,239	35,187	40,769	+ 44.4	23.9	28.0	30.4
55 - 64	10,178	9,793	14,060	+ 38.1	8.6	7.8	10.5
65 & older	11,971	13,300	14,271	+ 19.2	10.1	10.6	10.6
Median age	30.8	33.0	36.0	+ 16.9	--	--	--

* Middle series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census:
Current Population Reports,
(Series P-25, No. 952).

Employment

The dominant and continuing role of the suit as a major part of corporate conformity makes the industry dependent on future trends in white collar employment. The shift nationwide from manufacturing to service industries augurs well for the suit business but problems loom. For one, many corporations have moved their operations from urban to suburban locales, where some permit less formal dress codes for their employees. In addition, tailored clothing manufacturers have to contend with the baby boomer generation entering the workforce, many of whom are far more comfortable in sportswear and more resistant to corporate dress styles, preferring to wear sport coats rather than suits.

Employment (continued)

Number of Males in Managerial/Professional Occupations: 1983, 1986
(In thousands)

	1986	1983	% Change 1986/83
Managerial & professional specialty	15,030	13,943	+ 7.7%
Executive, administrative and managerial	7,990	7,282	+ 9.7
Officials, administrators, public administration	271	256	+ 5.9
Financial managers	252	219	+15.1
Personnel and labor relations managers	58	59	- 1.6
Purchasing managers	71	63	+12.7
Managers, marketing, advertising, public relations	330	310	+ 6.5
Administrators, education and related fields	262	243	+ 7.8
Managers, medicine & health	48	39	+23.1
Managers, properties & real estate	202	174	+16.1
Management-related occupations	1,852	1,771	+ 4.6
Professional specialty	7,039	6,654	+ 5.8
Architects	119	90	+32.2
Engineers	1,644	1,481	+11.0
Mathematical & computer scientists	403	326	+23.6
Natural scientists	95	84	+13.1
Health diagnosing occupations	619	637	- 2.8
Health assessment and treating occupations	298	270	+10.4
Teachers, total	1,356	1,365	- 0.7
Counsellors, educational & vocational	80	86	- 7.0
Librarians, archivists & curators	36	33	+ 9.1
Lawyers & judges	532	548	- 2.9
Other	1,857	1,734	+ 7.1

Source: U.S. Bureau of Labor Statistics: Employment & Earnings.

Male Civilian Labor Force By Age: 1986 & Projections to 1995

	Labor Force (thous.) 1986	Labor Force (thous.) 1995	% Change 1995/86	Participation Rate 1986	Participation Rate 1995
Males, total	65,422	69,282	+ 5.9%	76.3%	75.3%
By age:					
16 to 19 years	4,102	3,750	- 8.9	56.4	57.9
20 to 24 years	8,148	6,790	-16.7	85.8	87.3
25 to 34 years	19,383	18,247	- 5.9	94.6	93.7
35 to 44 years	15,029	19,232	+28.0	94.8	94.3
45 to 54 years	9,994	13,721	+37.2	91.0	90.4
55 to 64 years	6,954	6,119	-12.0	67.3	62.6
65 years & over	1,811	1,423	-21.4	16.0	11.0

Source: U.S. Bureau of Labor Statistics:
Monthly Labor Review (Nov. 1985),
Employment & Earnings (January 1987).

RETAIL SALES

Retail sales of men's suits totaled $2.5 billion in 1986, an 8.7% recovery from 1985 after several years of decline, according to the Kurt Salmon/National Panel Diary Purchase Report for 1986. Sales of blazers and sportcoats reached $1.6 billion, an annual gain of 5.0%. Shifts in unit purchases over the last four years for all men's wear, and tailored clothing specifically, are shown below.

Retail sales of men's rainwear are estimated at about $265 million for 1986, down almost 9% compared with 1985.

Year-to-Year Changes in Purchases of Specified Men's Wear, 1983-1987
(% change in units)

	Projected 1987/1986	Actual 1986/1985(r)	Actual 1985/1984	Actual 1984/1983
Men's wear, total	+ 2%	+ 3%	0	- 2%
Tailored clothing (suits, slacks, jackets, topcoats, etc.)	+ 8	+ 6	-15%	+ 5

(r) revised

Source: Kurt Salmon Associates: Softgoods Outlook for 1987
KSA/NPD Quarterly (March 1987). Based on the KSA/NPD purchase panel of 19,500 households.

The value at retail for all men's suits, coats, sportcoats and jackets totaled an estimated $10.7 billion in 1986, based on U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics data detailing personal consumption expenditures. This covers the retail value of products reaching consumers through a variety of channels, primarily through retail outlets but also through direct sales by manufacturers and other means. 1985 spending was an estimated $10.0 billion.

RETAIL SALES BY TYPE OF OUTLET

Data on sales of men's tailored wear purchased in major retail outlet types was developed by the U.S. Bureau of the Census in its complete Census of Retail Trade. This census, compiled every five years (most recently in 1982), is the only official data on merchandise line sales by type of retail outlet.

Information on total sales of men's and boys' wear in all retail outlets which have a payroll is included in the published census reports. Information on sales of specific types of men's wear is limited to department stores, men's wear stores and family clothing stores. However, these are the major outlets --accounting for over 85% of total men's and boys' wear sales in all types of retail outlets with payroll in 1982.

RETAIL SALES BY TYPE OF OUTLET

Total sales of men's tailored and casual wear (as classified by the Census Bureau) in the three major outlet types amounted to $10.3 billion in 1982 and represented 41.2% of total men's and boys' wear business in these three outlet types.

Men's Tailored Clothing/Casual Wear in Leading Outlet Types, 1982
(Includes only stores with payroll)

	Overcoats, Topcoats, Raincoats*				Suits & Formal Wear			
	Stores***		Sales		Stores***		Sales	
	Number	%	Mil. $	%	Number	%	Mil. $	%
Reported total	30,070	100.0	$1,750.3	100.0	22,050	100.0	$2,342.5	100.0
Department stores	6,446	21.4	773.9	44.2	3,816	17.3	542.0	23.1
Men's wear stores	13,124	43.6	579.1	33.1	11,638	52.8	1,489.1	63.6
Family clothing stores	10,500	35.0	397.3	22.7	6,596	29.9	311.4	13.3

	Sportcoats/Blazers				Dress/Casual Slacks & Jeans**			
	Stores***		Sales		Stores***		Sales	
	Number	%	Mil. $	%	Number	%	Mil. $	%
Reported total	23,843	100.0	$1,577.4	100.0	38,266	100.0	$4,672.9	100.0
Department stores	4,606	18.5	531.7	33.7	8,419	22.0	1,751.7	37.5
Men's wear stores	12,164	49.0	809.8	51.3	15,038	39.3	1,417.3	30.3
Family clothing stores	8,073	32.5	235.9	15.0	14,809	38.7	1,503.9	32.3

Contribution to Total Sales of All Men's & Boys' Wear in Reported Retail Outlet Types

	Total Men's & Boys' Wear Sales	Men's Tailored/Casual Wear Sales	
	Mil. $	Mil. $	% of Total Men's & Boys' Wear Sales
Reported total	$25,117.9	$10,343.1	41.2%
Department stores	12,812.0	3,599.3	28.1
Men's wear stoers	7,052.6	4,295.3	55.0
Family clothing stores	5,253.3	2,448.5	41.0

* Outer jackets are also included in this classification.
** Walking shorts are also included.
*** Each store location is separately counted, not just headquarter store locations. Leased departments are not included in the stores in which operated, but are treated as separate establishments in the pertinent kind-of-business classification.

Source: Based on U.S. Bureau of the Census
1982 Census of Retail Trade RC82-1-3.

RETAIL SALES BY STORE TYPE

Department Stores

Reports on merchandise line sales in department stores have been made available in reports covering the complete 1982 Census of Retail Trade, compiled by the U.S. Census Bureau. Under the Standard Industrial Classification system followed in government reports, department stores include all outlets meeting the definition by store size and merchandise handled, including discount department stores as well as traditional department stores, and the department store operations of such national chains as Sears Roebuck and Montgomery Ward.

The Census of Retail Trade does not include a breakdown on how much tailored wear business was done by each of these department store operations in 1982. However, there is a breakdown on total store sales for the year: conventional accounted for 32.0%; discount/mass merchandisers, 39.1%; national chains, 38.9%. The mass merchandiser/discounter department stores (which represented 76% of all department store establishments and 68% of department store sales in 1982) have increased their share since the census was compiled.

The number of department stores reporting sales of the specified types of men's tailored/casual wear and the sales of this merchandise in 1982 are shown in the table below.

Men's Tailored/Casual Wear Sales in Department Stores, 1982

	No. of Stores Reporting Sales	Men's Tailored/Casual Wear Sales		
			% of Total Store Sales	
		Thous. $	Stores Handling Line	All Dept. Stores
Reported total	--	$3,599,284	4.8%	3.6%
Men's				
Overcoats/topcoats*	6,446	773,908	1.0	0.8
Suits & formal wear	3,816	541,974	1.0	0.5
Sportcoats & blazers	4,606	531,700	0.8	0.5
Dress & casual slacks, jeans, walking shorts	8,419	1,751,702	2.0	1.8

* Includes raincoats and outer jackets.

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade RC82-1-3.

The men's tailored clothing business produces low gross margins for department stores, among the lowest of all men's apparel classifications. Promotions are still the primary tool used by department stores to pull in suit customers with many stores selling more than half their suits off-price. Tailored clothing is a traffic-builder for the stores, providing customers for their shoe and shirt departments. This helps offset the costs of selling tailored clothing, including a staff of tailors, commissioned salespeople and large, slow-turning inventories.

Department Stores (continued)

Department store are trying to boost their margins in tailored clothing by cutting back on promotions, though many have found them inevitable. They are bringing in stronger assortments of upper-priced goods that are generally not available at competing off-price, mass merchant and discount outlets. Others are cutting back on the number of resources they work with, hoping to get better prices from the ones they keep.

Specialty Stores

Men's specialty stores, such as Saks Fifth Avenue, remain in men's tailored clothing in a big way, enjoying a surge of interest from younger customers. Though some business may have been lost to off-prices, specialty stores still place a premium on their profitable better business, unlike department stores which use better business as a means to obtaining profit in furnishings and sportswear.

At Saks Fifth Avenue, nearly 100% of its merchandise was private label, until about 15 years ago when many designer names were brought in. Private label never dropped below 50% and is now growing back toward its peak. It sees the main competition coming from free-standing specialists like Louis of Boston or Paul Stuart and from specialty store chains such as Mark Shale.

Men's Tailored/Casual Wear Sales in Specialty Stores, 1982

	No. of Stores Reporting Sales	Men's Tailored/Casual Wear Sales		
			% of Total Store Sales	
		Thous. $	Stores Handling Line	All Specialty Stores
MEN'S WEAR STORES				
Reported total	--	$4,295,166	34.3%	55.6%
Men's				
Overcoats, topcoats, raincoats*	13,124	579,066	9.4	7.5
Suits & formal wear	11,638	1,489,066	26.0	19.3
Sportcoats & blazers	12,164	809,768	13.7	10.5
Dress & casual slacks, jeans, walking shorts	15,038	1,417,266	20.6	18.3
FAMILY CLOTHING STORES				
Reported total	--	$2,448,483	25.2%	18.3
Men's				
Overcoats, topcoats, raincoats*	10,500	397,329	4.3	3.0
Suits & formal wear	6,596	311,368	5.0	2.3
Sportcoats & blazers	8,073	235,859	3.2	1.8
Dress & casual slacks, jeans, walking shorts	14,809	1,503,927	12.7	11.2

* Also includes outer jackets for men.

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade RC82-1-3.

RETAIL SALES BY STORE TYPE

Specialty Stores (continued)

Selected Merchandising & Operating Results in Men's Wear Stores: 1986
(Median results)

	Men's				
	Tailored Clothing	Suits	Coats	Sport Coats	Dress Slacks
Percent change in sales from last year (75)*	+ 1.6%	+ 3.3%	- 1.8%	+ 2.4%	+ 1.0%
Percent of total store sales (85)*	41.3	17.7	2.0	11.7	8.8
Percent of men's tailored wear sales (84)*	100.0	44.3	5.6	30.2	21.5
Percent distribution of average inventory in men's tailored clothing dept. (52)*	100.0	45.6	5.2	31.7	16.2
Markdowns, % of men's tailored clothing sales (66)*	16.8	16.5	15.5	15.5	13.3
Number of stock turns (54)*	1.3	1.4	1.4	1.4	1.7

* Number of reporting firms in each category.

Source: Menswear Retailers of America,
1987 Annual Business Survey.

RETAIL SALES BY AREA

Listed below are the ten leading metropolitan markets based on men's and boys' clothing sales in 1986. Led by the New York market, the top ten account for nearly one quarter of total U.S. sales. Data from Sales & Marketing Management's "Survey of Buying Power" (1987 Edition) shows that the top 50 markets do 54.7% of all men's & boys wear business, the top 100 account for 68.7% and the top 150 do 76%.

The Top Ten Metropolitan Markets For Sales of
All Men's & Boys' Wear, 1986

1.	New York, N.Y.	$1,959.6
2.	Los Angeles/Long Beach, Cal.	1,661.3
3.	Chicago, Ill.	1,356.4
4.	Boston/Lawrence/Salem, Mass.	953.3
5.	Philadelphia, Pa.	926.5
6.	Washington, D.C.	771.3
7.	Detroit, Mich.	763.1
8.	Nassau/Suffolk, N.Y.	709.2
9.	Houston, Tex.	645.4
10.	Atlanta, Ga.	521.3
	Top Ten Metropolitan Markets, total (24% of U.S. total)	$10,267.4

Source: Based on Sales & Marketing Management,
"Survey of Buying Power," 1987 Edition
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RETAIL ADVERTISING

Percent of Year's Total Newspaper Advertising Linage For Specified Men's Merchandise By Month, 1986

	Suits	Sportcoats	Slacks
Total	100.0%	100.0%	100.0%
January	4.9	4.9	3.3
February	7.4	5.1	6.3
March	14.1	11.5	8.9
April	9.2	5.5	7.6
May	8.7	4.3	6.4
June	7.6	12.1	13.8
July	4.3	2.5	6.2
August	5.7	6.4	12.3
September	8.5	8.6	7.5
October	14.3	11.6	7.5
November	8.0	14.8	9.0
December	7.3	12.7	11.2

Source: Advertising Checking Bureau, 1986 (1988 Newspaper Advertising Planbook).

Percent of Newspaper Advertising For Specified Men's Merchandise By Price Range, 1987

Suits		Slacks	
Price of Product	% of Advertising	Price of Product	% of Advertising
To $75	9.2%	To $15	28.5%
$85.01 - $100	20.2	$15.01 - $20	32.5
$100.01 - $150	23.1	$20.01 - $25	16.7
$150.01 - $200	16.0	$25.01 - $30	8.1
$200.00 - $250	11.1	$30.01 - $35	4.3
Over $250	12.1	Over $35	7.4
Unpriced	8.3	Unpriced	2.5

Source: Advertising Checking Bureau, 1987 (1988 Newspaper Advertising Planbook).

CONSUMER PRICE TRENDS

Preliminary September 1987 figures on men's wear prices show that coats, jackets, sport coats and suits rose 3.4% from August levels. Retail prices for all men's and boys' apparel increased 2.1% for the month. Compared with year ago figures, the coat and suit prices were up 2.8% while the total men's wear prices were up 2.6%.

CONSUMER PRICE TRENDS

A Labor Department official attributed the apparel price increases from August to September to the introduction of winter fashions. In contrast to the moderate rise in men's coat, jacket, sportcoat and suit prices, comparable products for women rose 10.6% for the month.

Consumer Price Indexes For Selected Men's Apparel Items

	Annual Averages			% Change
	1986	1985	1984	1986/85
All items (1967=100)	328.4	322.2	311.1	+ 1.9%
All apparel, less footwear (1967=100)	188.3	188.1	183.2	+ 0.4
Men's wear (12/77=100)	126.3	124.7	121.1	+ 1.3
Suits, sportscoats, coats and jackets (12/77=100)	120.1	115.5	112.8	+ 4.0

Source: U.S. Bureau of Labor Statistics.

CONSUMER BUYING PRACTICES

Average Purchase Rate For Men's Suit & Coat Products
(Units Per 1,000 Households)

	Suits/Sportscoats	Coats/Raincoats
Average Month	38.4	59.8
January	42.0	61.9
February	43.7	43.9
March	41.3	55.0
April	30.7	37.9
May	34.7	27.1
June	39.7	28.1
July	23.7	19.4
August	28.8	29.8
September	31.9	52.4
October	32.1	73.9
November	42.7	112.7
December	70.1	176.0

Source: 1987 Newspaper Advertising Planbook.

Recent focus groups sponsored by the Clothing Manufacturing Association on suit purchases (Daily News Record, November 10-11 1987) showed that most men rarely make the buying decision on their own, relying on wives and girlfriends for affirmation. This held true for both older men established in business earning an average $56,000 a year and a young group representing the baby boom generation with an average income of $35,000.

CONSUMER BUYING PRACTICES

A study by MRCA Information Services shows that women buy about two-thirds of all men's wear, particularly undershorts, socks and knit sport shirts. Most big-ticket items such as suits and shoes, are bought by men but, as focus groups have shown, the influence of women in the purchasing decision is significant even when the man does the actual buying.

Percent of Men's Wear Dollars Spent By Men

	1986	1982
Men's apparel, total	42%	44%
Suits	80	75
Dress shirts	41	41

Source: MRCA Information Services.

The following information on purchases of men's tailored clothing for men aged 17 years and older for the years 1986 and 1985 has been supplied by KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group. The information is based on the findings from an on-going monthly panel tracking the purchases of 11,500 nationally representative families.

Suits

Percent of Men's Suit Purchases By Outlet

	1986		1985	
	Units	Dollars	Units	Dollars
Total purchases	100%	100%	100%	100%
Men's specialty stores	43.6	55.6	44.5	35.9
Department stores	19.2	18.1	23.6	23.9
National chains	22.4	15.3	19.7	25.2
Discount stores, incl. K mart	8.3	5.3	6.8	7.5
All other outlets	6.5	5.7	5.4	7.5

Percent of Men's Suit Purchases By Price Point

	1986		1985	
	Units	Dollars	Units	Dollars
Total purchases	100%	100%	100%	100%
Less than $60	16.7	5.2	19.3	6.5
$60.00 - $79.99	11.5	6.2	13.6	8.0
$80.00 - $99.99	13.8	9.7	12.0	8.9
$100.00 - $139.99	22.2	20.0	21.2	20.8
$140.00 - $199.99	21.1	26.4	20.9	28.4
$200.00 & over	14.7	32.5	13.0	27.4

CONSUMER BUYING PRACTICES

Suits (continued)

Percent of Men's Suit Purchases By Month

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Units													
1986	7.8	7.3	11.5	6.9	10.3	10.3	9.1	8.4	7.4	5.9	8.6	6.5	100%
1985	8.3	7.2	11.5	10.1	9.1	8.0	10.1	6.3	8.2	8.0	6.6	5.7	100%
Dollars													
1986	8.3	6.6	11.0	6.1	10.2	10.2	10.9	9.6	6.6	5.8	8.4	6.3	100%
1985	8.8	7.0	10.7	9.1	9.7	8.6	8.9	6.4	8.7	9.2	5.8	7.1	100%

Percent of Men's Suit Purchases By Type of Fabric

	1986		1985	
	Units	Dollars	Units	Dollars
Total purchases	100%	100%	100%	100%
Polyester & polyester blends	63.8	50.9	68.9	59.8
Wool & wool blends	33.1	47.6	27.4	37.7
Cotton & cotton blends	2.4	1.0	0.9	0.3
All other materials	0.7	0.5	2.8	2.2

Source for preceding tables: KSA/NPD Purchase Panel.

Sportscoats

Percent of Men's Sportscoat Purchases By Outlet

	1986		1985	
	Units	Dollars	Units	Dollars
Total purchases	100%	100%	100%	100%
Men's specialty stores	27.0	36.4	25.7	35.0
Department stores	29.7	29.7	32.2	33.1
National chains	24.6	19.6	26.5	20.8
Discount stores, incl. K mart	10.8	7.0	9.9	6.6
All other outlets	7.9	7.3	5.7	4.5

Percent of Men's Sportcoat Purchases By Price Point

	1986		1985	
	Units	Dollars	Units	Dollars
Total purchases	100%	100%	100%	100%
Less than $40	28.4	12.1	19.9	7.9
$40.00 - $59.99	28.4	21.9	27.1	19.0
$60.00 - $79.99	18.3	19.6	25.9	24.9
$80.00 - $119.99	14.9	21.3	15.7	20.8
$120.00 & over	10.0	25.1	11.4	27.4

CONSUMER BUYING PRACTICES

Sportcoats (continued)

Percent of Men's Sportcoat Purchases By Month

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Units													
1986	8.9	9.2	8.7	8.0	7.5	8.9	5.8	6.1	6.4	7.0	12.3	11.2	100%
1985	9.6	7.6	6.1	6.9	9.7	6.9	6.2	5.6	6.8	10.1	10.2	14.1	100%
Dollars													
1986	8.1	7.6	8.4	9.6	7.9	10.5	6.2	5.4	5.8	7.2	13.3	10.0	100%
1985	11.1	8.3	5.5	6.8	9.3	8.5	6.1	3.9	6.0	11.8	9.3	13.4	100%

Percent of Men's Sportcoat Purchases By Type of Fabric

	1986		1985	
	Units	Dollars	Units	Dollars
Total purchases	100%	100%	100%	100%
Polyester & polyester blends	44.1	39.1	47.5	41.2
Wool & wool blends	34.2	42.7	34.5	40.4
Cotton & cotton blends	13.9	7.4	9.8	6.0
All other materials	7.8	10.8	8.2	12.4

Source for preceding tables: KSA/NPD Purchase Panel.

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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Department Store and Specialty Store Sales

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E.B. Gold, Manager
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DEPARTMENT & APPAREL SPECIALTY STORE SALES FACT FILE

INTRODUCTION

The profile of general merchandise/apparel retailing has undergone tremendous changes over the past two years, brought about by the unprecedented number of mergers, acquisitions, consolidations and closings.

These developments have called for changes in the presentation of data from the format followed in earlier editions of this FACT FILE. The usual listing of stores with volume over $50 million, ranked by size, cannot be included, as changes in store ownership and consolidations are continuing and a listing based on 1986 sales volume would be meaningless.

The Fact File is organized into three sections.

Section I: A current list of the major companies in general merchandise and apparel retailing, including changes in ownership of divisions or stores in 1986/1987, or currently underway.

Section II: Information on sales of the major companies operating general merchandise and apparel stores, including conglomerates and national chains.

Section III: Lists department stores and major apparel specialty stores by headquarter location, divided into the four major geographic divisions of the U.S. Only stores for which sales figures are available and which are believed to be reasonably accurate are included. Sources on sales include company annual reports and trade sources (the Fairchild trade press, Dun & Bradstreet, the National Retail Merchants Association, and other sources).

Current sales estimates, reflecting operations for the year 1986 for the most part, may differ markedly from estimates reported for previous years. This may be due in large part to changes in the number of stores operated; however, differences in methods followed in compiling estimates are also factors. Since revisions in earlier estimates may be in order, year to year comparisons should be made with caution.

I. MULTI-STORE CORPORATIONS OPERATING DEPARTMENT AND APPAREL SPECIALTY STORES
(Number of stores in 1986 and ownership status as of Dec. 1987)

Corporation & Retail Divisions	Headquarter Location
Allied Stores Corporation (acquired by the Campeau Corp. Toronto, Ont, Canada, Oct. 1986. To be operated as an indirect wholly-owned subsidiary)	New York, NY
Stores Allied/Campeau expects to hold:	
Ann Taylor (91)	New York, NY
The Bon (Bon Marche) (39)	Seattle, WA
Brooks Brothers (45)	New York, NY
Jordan Marsh-New England (19)	Boston, MA
Maas Brothers/Jordan Marsh, Miami (38) These divisions were combined in 1987. Levy's Savannah, GA had been absorbed by Maas Bros. in 1986. (The sale of Mass Bros./Jordan Marsh to May Dept. Stores Co. may develop)	Tampa, FL
Read's (6) Merged into Jordan Marsh-New England in March 1987.	Bridgeport, CT
Stern's (29 including former Gimbels stores acquired from BATUS in 1986--of which seven in the Philadelphia area may be sold)	Paramus, NJ
Stores Allied/Campeau plans to sell:	
Dey's (4) Sale to a management group was cancelled in 1987.	Syracuse, NY
Sold By Allied/Campeau in 1987:	
Block's, Indianapolis, IN (10) and Herpolshiemer's (6), Grand Rapids, MI were combined and sold to Federated Department Stores, which integrated them with Lazarus Stores, Cincinnati, OH	
Bonwit Teller (13) Sold 1 store in CA to Federated, balance sold to Hooker Retail (U.S.A.), Atlanta, GA, April 1987	New York, NY
Cain-Sloan (4) Sold to Dillard Dept. Stores Inc., Little Rock, AR	Nashville, TN
Catherine's Stout Shops (210) Sold in 1987 to a management group.	Memphis, TN
Donaldson's (15) Sold to Carson Pirie Scott, Chicago, IL	Minneapolis, MN
Garfinckel's (10) Sold to Raleigh's, Washington, D.C. June 1987.	Washington, DC
Joseph Horne Co. (14) Sold to May Dept. Store Co., St. Louis, MO; later spun off to an investment group.	Pittsburgh, PA
Heer's (2) Sold to a management group.	Springfield, MO
Jerry Leonard (26) Sold to King Size Co., Brockton, MA	Omaha, NB
Joske's (27) Sold to Dillard Department Stores, Inc., Little Rock, AR (An antitrust probe has been initiated, however.)	Dallas, TX

(continued)

I. MULTI-STORE CORPORATIONS OPERATING DEPARTMENT AND APPAREL SPECIALTY STORES

(Number of stores in 1986 and ownership status as of Dec. 1987)
(continued)

Corporation & Retail Divisions	Headquarter Location
Sold by Allied/Campeau in 1987 (continued)	
Miller & Rhoads (17)	Richmond, VA
Sold to a management group	
Miller's (12)	Knoxville, TN
Sold to Hess's, Allentown, PA.	
Plymouth Shops (51)	Carlstadt, NJ
Sold to Tribeca Holdings, and combined with Lamston's, Washington, DC (Plymouth Lamston Stores Corp.)	
Pomeroy's (112 in Harrisburg/Levittown, PA, operations were combined in Jan. 1987) Sold in June to Bon Ton Dept. Stores Div. of S. Grumbacher & Sons, York, PA which sold one of the stores to Boscov's Dept. Stores, Reading, PA. Boscov's bought three directly from Allied/Campeau.	Harrisburg, PA
Amcena Corporation	New York, NY
JBryron's (56)	Miami, FL
EMS (Eastern Mountain Sports) (28)	New York, NY
Maurice's (400+)	Duluth, MN
Steinbach's (29)	White Plains, NY
Acquired from Supermarkets General in 1986. Has been combined with the former Howland and Hochschild operations.	
Uptons (17)	Atlanta, GA
Woman's World Shops (222) plus 22 shops operated under various names to be acquired from Wickes Cos., Inc., Santa Monica, CA.	El Cajon, CA
Associated Dry Goods (SEE MAY DEPARTMENT STORES CO.)	
BATUS, Inc. (B.A.T. Industries PLC)	New York, NY
Stores held as of Dec. 1987:	
The John Breuner Co. (furniture and furniture rental stores (17)	San Ramon, CA
Ivey's (25)	Charlotte, NC
(A consolidation of Ivey's-Carolinas & Ivey's-Florida)	
Marshall Field (25)	Chicago, IL
Saks Fifth Avenue (44)	New York, NY
Thimbles Specialty Stores Inc. (46)	New York, NY
Sold or closed in 1986/1987:	
The Crescent (3)	Spokane, WA
Frederick & Nelson (8)	Seattle, WA
(Both Crescent and Frederick & Nelson were sold to F&N Acquisition Co.)	
Gimbels-East (11)	New York, NY
9 stores sold to Allied, of which 8 became Stern's and 1 in Lancaster, PA, a Pomeroy's; 2 NYC stores were closed.	

(continued)

I. MULTI-STORE CORPORATIONS OPERATING DEPARTMENT AND APPAREL SPECIALTY STORES

(Number of stores in 1986 and ownership status as of Dec. 1987)
(continued)

Corporation & Retail Divisions	Headquarter Location
BATUS, Inc. Stores Sold (continued)	
Gimbels-Midwest (3 sold to P.A. Bergner to become Boston Stores, Milwaukee, WI; 5 converted into Marshall Field, Chicago stores)	
Gimbels-Pittsburgh (3 sold to May Department Stores Co., St. Louis, MO to become Kaufmann's, Pittsburgh)	
Kohls (40) (Sold to Melvin Simon & Assoc., Robert Suslow & Assoc.)	Brookfield, WI
Campeau Corp. (See Allied/Campeau)	Toronto, Canada
Carson Pirie Scott & Co.	Chicago, IL
Carson Pirie Scott Department Stores (20)	Chicago, IL
Arcadia Shops (20)	Chicago, IL
Corporate Level (3)	Chicago, IL
County Seat (301)	Chicago, IL
Donaldson Department Stores (15) (Acquired from Allied Campeau, to be integrated into Carson's Chicago headquarters.)	Minneapolis, MN
CHH (Carter Hawley Hale) Split into two new divisions in August 1987:	
Carter Hawley Hale	Los Angeles, CA
The Broadway-Southern California (43)	Los Angeles, CA
The Broadway-Southwest (2 to be sold to May Dept. Stores to be converted to May D&F Stores, Denver. Option to buy the 3rd is held by Montgomery Ward.	Phoenix, AZ
Emporium Capwell (22)	San Francisco, CA
Thalhimers (24)	Richmond, VA
Weinstock Department Stores (12)	Sacramento, CA
Neiman Marcus Group (Control held by General Cinema)	
Bergdorf Goodman (1)	New York, NY
Contempo Casuals (165)	Los Angeles, CA
Neiman Marcus (22)	Dallas, TX
Sold:	
John Wanamaker Div. (15) Sold by CHH to Woodward & Lothrop, Washington, DC, but there is a price dispute to be settled. Wanamaker sold The Globe Stores, Scranton, to a local investment group.	Philadelphia, PA
Crown American	Johnstown, PA
Hess's Department Stores (41) (Acquired Miller's, Knoxville, TN in 1987)	Allentown, PA

I. MULTI-STORE CORPORATIONS OPERATING DEPARTMENT AND APPAREL SPECIALTY STORES
(Number of stores in 1986 and ownership status as of Dec. 1987)
(continued)

Corporation & Retail Divisions	Headquarter Location
Dayton Hudson Corp.	Minneapolis, MN
Branden's	Minneapolis, MN
Dayton Hudson (37)	Minneapolis, MN
Lechmere (17)	Woburn, MA
Mervyn's (175)	Hayward, CA
Target (246)	Minneapolis, MN
Dillard Dept. Stores Inc. (117)	Little Rock, AR
Divisions:	
Little Rock, AR (20	
Fort Worth, TX (34)	
San Antonio, TX (23)	
St. Louis, MO (14)	
Tempe, AZ (20) (formerly Diamond's)	
Acquisitions:	
Cain Sloan, Nashville, TN and Joske's, Dallas, TX (acquired from Allied/Campeau) (Joske's may be re-sold to Foley's)	
Castner Knott Dry Goods Co., Nashville, TN (11 stores bought from Mercantile Stores)	
The Higbee Co., Cleveland was acquired from Briarly Investments Ltd. by Dillard Dept. Stores and the Edward J. DeBarto's Corp. in Dec. 1987.	
Dylex Limited (stores owned or partially owned)	Toronto, Ont., Canada
Brooks Fashion Stores (777) (in Chapter 11)	New York, NY
Foxmoor Chain (609)	West Bridgewater, MA
The Wet Seal (18)	Irvine, CA
Edison Brothers Stores, Inc. (1,072 apparel stores)	St. Louis, MO
Fashion Conspiracy	St. Louis, MO
Oak Tree	St. Louis, MO
Jeans West	St. Louis, MO
Size 5-7-9 Shops	St. Louis, MO
Elder Beerman Stores Corp.	Dayton, OH
Elder Beerman Department Stores (26)	Dayton, OH
Margo's Division (102)	Dallas, TX
Federated Department Stores, Inc. (260 dept. stores) plus specialty stores	Cincinnati, OH
Abraham & Straus (14)	Brooklyn, NY
Bloomingdale's (16)	New York, NY
Bullock's (25)	Los Angeles, CA
Burdine's (19)	Miami, FL
The Children's Place (163)	Pine Brook, NJ
Filene's (10)	Boston, MA
Filene's Basement (22)	Wellesley, MA
Foley's/Sanger Harris (Dallas) Merged Jan. 1987)	Houston, TX
Gold Circle (merged with Richway in 1986) (50+)	Columbus, OH
Goldsmith's (5)	Memphis, TN
Lazarus (32)	Cincinnati, OH
Shillito/Rikes, Cincinnati, was merged into the Lazarus operation in 1986. In 1987, Blocks/Herpolsheimer, acquired from Allied/Campeau, was merged into Lazarus; 3 Lazarus units in Indianapolis were sold to Montgomery Ward)	
I. Magnin (26)	San Francisco, CA
MainStreet (15)	Chicago, IL
Rich's (20)	Atlanta, GA

I. MULTI-STORE CORPORATIONS OPERATING DEPARTMENT AND APPAREL SPECIALTY STORES

(Number of stores in 1986 and ownership status as of Dec. 1987)
(continued)

Corporation & Retail Divisions	Headquarter Location
General Mills, Inc.	Minneapolis, MN
Eddie Bauer (39)	Redmond, WA
The Talbots, Inc. (84)	Hingham, MA
(Both retail operations are up for sale)	
Hartmarx (Hartmarx Specialty Div.) (230)	Chicago, IL
Baskin Clothing Co.	Chicago, IL
Ray Beers	Topeka, KS
Blackburn's	Amarillo, TX
Capper & Capper, Ltd.	Detroit, MI
Chas. A. Stevens	Chicago, IL
deJong's	Evansville, IN
Field Brothers	New York, NY
Arthur Frank	Salt Lake City, UT
Frank Brothers	San Antonio, TX
Hanny's	Phoenix, AZ
Hasting's	San Francisco, CA
Heyward Mahon	Greenville, SC
Jack Henry	Kansas City, MO
J.O. Jones	Greenville, SC
Kleinhans	Buffalo, NY
Klopfenstein's	Seattle, WA
Leopold Price & Rolle	Houston, TX
Levy-Wolf	Jacksonville, FL
Liemandt's	Minneapolis, MN
Littler	Seattle, WA
Merritt Schaefer & Brown	Austin, TX
National Clothing	St. Louis, MO
Polo Shop	Seattle, WA
Porter Stevene	New Orleans, LA
Root's	Summit, NJ
Schulman's	Norfolk, VA
Silverwood	Los Angeles, CA
F.R. Tripler & Co.	New York, NY
Walkers	Columbus, OH
Wallachs	New York, NY, Miami, FL, etc.
Jas. K. Wilson	Dallas, TX
Wolf Bros.	Tampa, FL
Zachry	Savannah, GA
Hooker Retail, USA (Hooker Corp. Ltd.)	Melbourne, Australia
Acquisitions: 1987	
B. Altman & Co. (5)	New York, NY
Bonwit Teller (13)	New York, NY
The Parisian (16) (In partnership with a group of shareholders)	Birmingham, AL
Sakowitz Inc. (4) (pending approval by Federal Bankruptcy Court)	Houston, TX
Interco, Inc. (201 jr. dept. stores, spec. stores, home improvement centers)	St. Louis, MO
Fine's Men's Shops, Inc.	Norfolk, VA
Golde's Department Stores (9)	St. Louis, MO
Idaho Department Stores Co.	Caldwell, ID
Sky City Stores, Inc.	Asheville, NC
United Shirt Distributors, Inc.	Detroit, MI

I. MULTI-STORE CORPORATIONS OPERATING DEPARTMENT AND APPAREL SPECIALTY STORES

(Number of stores in 1986 and ownership status as of Dec. 1987)

(continued)

Corporation & Retail Divisions	Headquarter Location
The Limited, Inc.	Columbus, OH
Henri Bendel (1)	New York, NY
Lane Bryant (579 stores plus mail order)	New York, NY
Lerner Stores Corp. (750)	New York, NY
Limited Express (286)	Columbus, OH
Sizes Unlimited (247)	New York, NY
Victoria's Secret (167 stores plus mail order)	Columbus, OH
R.H. Macy & Co., Inc.	New York, NY
Macy's Atlanta (16)	Atlanta, GA
Macy's California (25)	San Francisco, CA
Macy's New York (22)	New York, NY
Macy's New Jersey (24)	Newark, NJ

A new specialty retailing venture was announced by R.H. Macy in Sept. 1987. The first 3 pilot stores, Aeropostales, were opened in Nov. 1987--2 in New Jersey, 1 near San Francisco. The second specialty chain is to be called Charter Club, and a private label intimate apparel line will be called Fantasies by Morgan Taylor. Some 6 to 8 stores will be opened in 1988 between the 3 chains, according to present plans.

Corporation & Retail Divisions	Headquarter Location
The May Department Stores Co. (Acquired Associated Dry Goods Co. in Oct. 1986)	St. Louis, MO
Held By May Department Stores Co.:	
L.S. Ayres (25) (Stewart's, Louisville, KY, was merged with Ayres in the Fall of 1986. 5 stores were sold by May to Snyder's Inc., Louisville, KY, Oct. 1987; 2 KY stores were sold to Burlington Coat Factory and to a developer, The Rouse Co., leaving 18 Ayres stores).	Indianapolis, IN
Caldor, Inc.	Norwalk, CT
Famous Barr (17)	St. Louis, MO
G. Fox (9)	Hartford, CT
Goldwater's (9)	Scottsdale, AZ
Hahne's (9)	Newark, NJ
Hecht's (22)	Arlington, VA
Kaufman's (including 3 former Gimbels-Midwest stores acquired from Amcena and 9 former Strouss stores, Youngston, Ohio, owned by Mays)	Pittsburg, PA
Loehmann's (90)	Bronx, NY
Lord & Taylor (45)	New York, NY
May-Cohens (5)	Jacksonville, FL
May Co. (10)	Cleveland, OH
May Co. (34)	North Hollywood, CA
May D&F (14) Includes 4 former Denver Dry Goods Stores, one of which was incorporated into an existing May D&F)	Denver, CO
Meier & Frank (8)	Portland, OR
M. O'Neil Co. (8)	Akron, OH
J.W. Robinson (24)	Los Angeles, CA
Sibley's (13)	Rochester, NY
Venture Stores (15)	O'Fallon, MO
(A planned purchase of Dey's, Syracuse, NY, (4 stores) from Campeau was cancelled in June 1987)	

I. MULTI-STORE CORPORATIONS OPERATING DEPARTMENT AND APPAREL SPECIALTY STORES

(Number of stores in 1986 and ownership status as of Dec. 1987)
(continued)

Corporation & Retail Divisions	Headquarter Location
May Department Stores Co. (continued)	
Sold By May Department Stores Co.:	
Robinson's of Florida (10) Sold to Maison Blanche-Goudchaux, Baton Rouge, LA)	Tampa, FL
Joseph Horne Co. (13) (Acquired from Campeau, then sold to an investment group, 1987)	Pittsburgh, PA
Denver Dry Goods Stores (12 stores) 2 were sold to Penney, 3 to Mervyn's, 4 converted to May D&F (an noted above). Balance sold to a developer or closed.	Denver, CO
Sycamore Specialty Stores Div. (111) Sold to an investment group.	Indianapolis, IN
Melville Corp.	Harrison, NY
Chess King (536)	Worcester, MA
Marshall's, Inc. (261)	Wakefield, MA
Wilson's House of Suede (175)	Los Angeles, CA
Mercantile Stores Co., Inc.	Wilmington, DE
Bacon's (6)	Louisville, KY
Castner Knott Co. (11) Sold to Dillard Dept. Stores, Little Rock, AR	Nashville, TN
deLendrecie's (1)	Fargo, ND
Gayfer's/Montgomery Fair (6)	Montgomery, AL
C.J. Gayfer	Mobile, AL
Glass Block (1)	Duluth, MN
Hennessey's	Billings, MT
The Jones Store Co. (8)	Kansas City, MO
Joslin's (11)	Denver, CO
Lion (3)	Toledo, OH
McAlpin's (9)	Cincinnati, OH
Root's (1)	Terre Haute, IN
J.B. White (7)	Augusta, GA
Petrie Stores Corp. (1,474 stores)	Secaucus, NJ
Davids	Secaucus, NJ
G & G Shops	New York, NY
Hartfield's	Secaucus, NJ
Jean Nicole	Secaucus, NJ
Marianne	Secaucus, NJ
Petrie's	Secaucus, NJ
Rave	Secaucus, NJ
Stuart's	Secaucus, NJ
Three Sisters	Secaucus, NJ
Winkelman's	Detroit, MI

I. MULTI-STORE OPERATIONS OPERATING DEPARTMENT AND APPAREL SPECIALTY STORES

(Number of stores in 1986 and ownership status as of Dec. 1987)
(continued)

Corporation & Retail Divisions	Headquarter Location
U.S. Shoe Corp. (Retail Division: 2,267 stores)	Cincinnati, OH
August Max (64)	New York, NY
Cabaret (7)	? ?
Career Image (81)	Enfield, CT
Caren Charles (145)	Enfield, CT
Casual Corner (702)	Enfield, CT
Crackers	Enfield, CT
Front Row (11)	Enfield, CT
Little Folks Shop	Enfield, CT
T.H. Mandy (17)	Merrifield, VA
Outletters	Enfield, CT
Outrigger	Enfield, CT
Petite Sophisticate (97)	Enfield, CT
The Proving Ground	Enfield, CT
J. Riggings (218) (sold to Edison Bros.)	Atlanta, GA
Sophisticated Woman (3)	Enfield, CT
The Proving Ground	Enfield, CT
Ups 'N Downs (361)	Enfield, CT
F.W. Woolworth Co.	New York, NY
Holtzman's Little Folk Shop (Kids Marts (262), Little Folks Shops (15)	New York, NY
The Richman Brothers Co. (Anderson Little) (319)	Cleveland, OH
U.S. Woolworth (1,164)	New York NY

II. SALES OF MAJOR APPAREL/GENERAL MERCHANDISE RETAILERS
(CONGLOMERATES, NATIONAL CHAINS)

The following companies have major positions in general merchandise/apparel retailing, in many cases operating a number of divisions or stores with different names. A list of pertinent divisions of major companies will be found in Section I.

Many of the listed companies are engaged in activities other than general merchandise/apparel retailing, including the operation of supermarkets, furniture outlets, shoe stores, manufacturing, wholesaling, etc. Unless otherwise noted, total company sales includes all operations in the latest fiscal year available, or latest annual estimate--generally reflecting 1986 operations.

Available information on sales of specific divisions or stores (department or apparel specialty) operated by multi-activity companies is covered in Section III.

Company	SALES (Millions of $)
Allied Dept. Stores, Savannah, GA (116 stores)	$ 52.0
Allied Stores/Campeau, New York, NY (797 stores) (Operated Catherine's Stout Shops, Memphis--207 stores with sales totaling $104.1 million--which were sold to a management group in 1987. Plymouth Shops--51 stores with sales of $61.2 million were sold to Tribeca Holding Co. in 1987 and will be combined with Lamston's)	1,245.0
Amcena Corp., New York, NY (800 stores) (Among Amcena's operations is Steinbach's, White Plains, NY-29 stores, with a volume of $170 million, of which 23 were acquired from Supermarkets General and combined with the Hochschild, Howland's stores. Ohrbach's was dissolved in 1986, and 5 stores were combined with the Steinbach's operation. 222 Woman's World and other women's specialty stores were purchased from Wickes Cos. Inc., Santa Monica)	not available
Ames Department Stores, Rocky Hill, CT (463 stores) (operates Ames, Murphy's Mart and G.C. Murphy's stores in 20 states).	1,809.9
Amfac, Inc., San Francisco, CA (9 stores in Hawaii plus 30 resort/specialty stores)	220.0
C.R. Anthony, Oklahoma City, OK (C.R. Anthony Holding Co./Citicorp Venture Capital Ltd.) (268 stores)	411.3
Joseph A. Bank Clothiers Inc., Baltimore, MD (34 states and Catalog)	136.0
BATUS, Louisville, KY (50 department stores, 90 specialty stores) 57 homefurnishings stores. Operates 2 department store divisions--Ivey's, Charlotte, NC and Marshall Field, Chicago, IL.	2,471.3

II. SALES OF MAJOR APPAREL/GENERAL MERCHANDISE RETAILERS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company	SALES (Millions of $)
Beall's (3 Beall Brothers, Jacksonville, FL) (150 stores; may be acquired by Citicorp Venture Capital Ltd. and some stores merged with CR Anthony, Oklahoma City, OK)	$ 325.0
L.L. Bean, Freeport, ME (One store with a volume of $54 million plus 22 catalogs and manufacturing)	368.0
Belk Stores Services Inc. (350 Belk and Liggett department stores in 16 states.)	3,000.0
Benetton, New York, NY (600 U.S. stores affiliated but operator-owned) (Company total volume: $846 million)	800.0
Bradlees, Braintree, MA (Stop & Shop Companies) (162 discount department stores.)	1,873.0
Brown Group Inc., St. Louis, MO Specialty Store Div. (Includes Cloth World, Meis Family Fashions, Linen Center, Etage)	344.3
Burlington Coat Factory, Burlington, NJ (87 stores)	391.6
CWT Specialty Stores Inc., South Attleboro, MA (59 stores)	111.6
Carroll Reed Ski Shops Inc. (CML Group Inc., Acton, MA)	42.0
Carson Pirie Scott, Chicago, IL Retail Group total: (Includes 20 department stores with volume of $435 million, 301 County Seat stores with volume of $325 million; also Corporate Level and Arcadia stores. A specialty store division was established in 1987 and 15 Donaldson's, Minneapolis stores were acquired from Allied/Campeau)	781.8
Carter Hawley Hale, Los Angeles, CA (114 department stores, 188 specialty)	4,089.8
Charming Shoppes, Bensalem, PA (678 stores in 1986; 750 by end of 1987) (Operates Fashion Bug, Fashion Bug Plus Stores)	525.2
Chas. A. Stevens, Chicago, IL (operates Chas. A. Stevens, Chas. A. Stevens Petites, CHAS stores) (26 stores)	70.0
Child World, Avon, MA. (134 stores)	628.8
Claire's Stores Inc., Miami, FL (Claire's Boutiques) (439 stores)	87.2
Clothestime, Anaheim, CA. (263 stores)	160.7
Consolidated Stores Corp., Columbus, OH (219 stores)	397.2
Conston Corp. (Conston Holding Co.) Philadelphia, PA (Women's specialty stores)	131.0

II. SALES OF MAJOR APPAREL/GENERAL MERCHANDISE RETAILERS (CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company	SALES (Millions of $)
Dayton Hudson Corp., Minneapolis, MN (Includes sales of 175 Mervyn's: $2,862 million, 246 Target Stores: $4,355 million; 17 Lechmere specialty stores: $475.6 million; 37 department stores: $1,566.3 million, Mervyn's operated 188 stores with a total volume of $2.9 billion. Mervyn's bought 3 Denver Stores from May Co. in 1987, and plans to open 21 stores)	$ 9,259.1
Deb Shops, Philadelphia, PA (231 stores)	181.4
Dillard Department Stores, Inc., Little Rock, AR (138 stores in 5 divisions) Tempe, AZ Div.: 19 stores; Little Rock, AR: 26; St. Louis, MO: 24; Fort Worth, TX: 40; San Antonio, TX: 29; In 1987, Dillard bought Cain Sloan a 40 unit Nashville specialty chain with 1987 volume projected to $73.1 million, and Joske's, Dallas, TX a 27 unit department store chain with 1987 volume projected to $375.5 million from Allied/Campeau. The latter purchase is incomplete at the present time due to an antitrust investigation. Also bought Castner Knott Day Goods Co., 11 stores with a volume of $225.8 from Mercantile stores), and is participating in the purchase of The Higbee Co., Cleveland, OH.	1,851.4
Dollar General Corp., Scottsville, KY (1,303 stores plus wholesale operations)	564.8
Dress Barn, Inc., Stamford, CT. (263 stores)	173.7
Duckwall-Alco Stores (subsidiary of H.D. Holdings Co. Inc), Abilene, KS (118 stores)	344.0
The Dunlap Co., Fort Worth, TX. (31 stores) Junior department stores operating under various names: Striplings & Cox, Hirsh, Lintz, etc.)	125.0
Dylex Ltd., Toronto, Ont., Canada (Retail sales total: $1,120.7 million)	
Part owner U.S. stores: Brook's Fashion Stores, NY (777 stores)	412.0
Foxmoor, West Bridgewater, MA (609 stores)	255.0
Edison Brothers, St. Louis, MO (2,475 stores including shoe stores)	904.2
(Apparel store division: 1,072 stores)	334.0
(Edison acquired the J. Riggings chain from U.S. Shoe in 1987)	
Elder-Beerman Stores, Dayton, OH (237 stores) (Operated 26 department stores with 1986 sales of $285 million, 102 Margo's specialty stores, Dallas, with volume over $55 million, as well as 108 shoe stores, 2 furniture stores. To be merged with E.C. Acquisitions Co. and become private)	380.8
Evans, Inc., Chicago, IL (25 fur specialty stores plus leased departments in 12 department stores).	156.0
Family Dollar Stores, Inc., Charlotte, NC (1,107 discount variety stores in 23 states).	487.7

II. SALES OF MAJOR APPAREL/GENERAL MERCHANDISE RETAILERS (CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company	SALES (Millions of $)
Fedco, Santa Fe Springs, CA (9 Direct Membership dept. stores)	$ 635.0
Federated Department Stores, Inc., Cincinnati, OH (631 dept. and spec. stores, mass merchandisers, plus 27 supermarkets) (260 dept. stores with 1986 sales totaling $6,974.3 million) (Accessory Place Stores were opened in 1987)	10,512.4
The GAP, San Bruno, CA (724 Stores) (Operates 633 Gap stores, 16 Gap Kids, 75 Banana Republic stores. (A new chain, Hemisphere, carrying sportswear was opened in 1987)	848.0
General Mills Inc., Minneapolis, MN (135 stores including furniture plus catalog sales) (Includes 39 Eddie Bauer Inc., Redmond, WA stores with sales of $250 million including catalog; 39 The Talbots Inc., Hingham, MA with sales amounting to $224.0 including catalog. General Mills plans to sell both retail operations)	474.3
W.R. Grace & Co., New York, N.Y. Specialty Retailing (Berman's, "The Leather Experts", Sheplers, Inc.) (144 stores)	181.0
Hartmarx, Chicago, IL (440 stores) (Includes 210 Kuppenheimer, Atlanta, GA stores, with sales of $160.0 million; and 230 Hartmarx Specialty Stores Inc., with sales of $415.1 million, including sales of 80 Country Miss stores)	575.1
Heck's, Inc., Charleston, W.Va. (158 discount department stores) Operating in Chapter 11 of U.S. Bankruptcy Code in 1987)	566.3
Hess's, Allentown, PA (Crown American Corp.) (41 stores) (Acquired 12 Miller's Department Stoes, Knoxville, from Allied/Campeau in 1987 with sales reported at $107.2 million)	367.5
Hills Department Stores, Canton, MA (SCOA) (137 stores)	1,343.1
Interco, Inc. St. Louis, MO -	
General Retailing Merchandising Group: (201 stores)	498.3
Apparel Specialty Groups	817.7
Jamesway Corp., Secaucus, NJ (100 stores)	612.4
K mart Corp., Troy, NY	
(3,783 stores, including books, etc.)	23,812.0
(2,204 K mart stores)	21,308.0
(Plans to sell 38 U.S. Kresage stores and 18 Jupiter stores to McCrory Stores, York, PA. Designer Depot was divested by K mart at end of 1986)	
Kline Bros., Cleveland, OH (25 stores) (24 Kline stores plus 1 Katz Dept. Store in Stillwater, OK)	75.0

II. SALES OF MAJOR APPAREL/GENERAL MERCHANDISE RETAILERS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company	SALES (Millions of $)
The Limited, Inc., Columbus, OH (2,682 stores) (Includes 7 Retail Divisions, 2 Mail Order Divisions with sales of $450 million from 6 catalogs) Lane Bryant - 579 stores, sales $500 million Victoria's Secret - 167 stores, sales $125 million The Limited - 654 stores, sales $900 million Lerner - 750 stores, sales $650 million Sizes Unlimited - 247 stores, sales $150 million Henri Bendel - 1 store, sales $25 million Limited Express - 286 stores, sales $250 million (The Limited plans to buy Abercrombie & Fitch from Oshman's)	$ 3,142.7
R.H. Macy & Co., New York, NY (privately owned as of Sept. 1986) (97 stores) (Operates 4 divisions of department stores: New York, New Jersey, Georgia, California. In Sept. 1987, Macy announced plans to open 3 or more specialty chains, the first to be called Aeropostale, followed by opening of Charter Club stores)	$ 4,650.0
May Department Stores, St. Louis, MO (Acquired Associated Dry Goods Corp. in 1986) (2,877 stores) (Operates dept. stores and specialty stores, including Loehmann's, NY - 90 stores with sales of $351 million; Caldor, Norwalk, CT - 115 stores with sales of $1,411 million; Venture stores - 65 with sales of $1,129 million) The Sycamore Specialty Stores Div. - 111 stores - was sold in 1987 to a group of investors.	10,376.0
McCrory Stores Corp. (Subsidiary of Rapid American Corp.) New York, NY --Operated 5 and 10 stores under various names (McCrory, H.L. Green, J.F. Newberry, S.H. Kress, etc.) (1,226 stores) (Will acquire 58 U.S. Kresge stores and 18 Jupiter stores from K mart in 1987)	1,883.0
McRae's, Jackson, MS (including Pizitz, Birmingham, AL) (29 stores)	350.0
Melville Corp., Harrison, NY (5,833 stores) (Operates specialty stores including toys, HBA, leased shoe departments, shoe stores, apparel stores, etc.	5,262.4
Apparel stores (973 stores)	1,756.7
Marshall's, Woburn, MA (261 stores)	1,409.8
Chess King, Worcester, MA (536 stores)	251.7
Wilson's House of Suede, Los Angeles, CA (176 stores)	95.1
Mercantile Stores, New York, NY (82 stores) (Includes 13 general merchandise store chains and 20 free-standing beauty salons)	2,028.2
Merry-Go-Round Enterprises, Inc., Townson, MD (388 stores)	207.5

II. SALES OF MAJOR APPAREL/GENERAL MERCHANDISE RETAILERS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company	SALES (Millions of $)
Montgomery Ward (Mobile Corp.) New York, NY (320 stores) (Operates 295 stores including 43 specialty stores with sales of $4.4 billion, plus 25 liquidation centers) Sales in 1987 are estimated at $4.2 billion. Mobile may sell Montgomery Ward	$ 5,065.0
B.C. Moore & Sons (80 specialty stores in AL, FL, GA, NC, SC)	75.0
Mothercase Stores (200+ stores operating under various names)	75.0
S.E. Nichols, Inc., New York, NY (45 stores) (Self-service discount dept. stores and automotive service centers, home improvement centers, etc.)	310.0
Nordstrom Inc., Seattle, WA (65 stores) (Operated 38 specialty stores plus 8 Place Two Outlets; also 12 shoe stores and leased shoe departments, 8 The Rack clearance stores. Nordstrom will open its first East Coast store March 1988 at Tyson's Corners, VA)	1,629.9
Oshman's Sporting Goods Inc., Houston, TX (188 stores) (Operates Abercrombie & Fitch which had an estimated volume of $48 million in 1986, $50 million in 1987) This is to be sold to The Limited, Columbus, OH.	322.9
Pamida, Omaha, NB (discount stores)	504.0
Paul Harris Stores Inc., Indianapolis, IN (296 stores) (Operates 214 apparel specialty stores, 39 Clothes Out Junction stores, 20 Pasta sportswear stores)	161.0
J.C. Penney Co., Inc., New York, NY (Sales including extraordinary loss)	14,740.0
Penney Stores 1403	12,888.0
Catalog Centers 1825	2,332.0
Drug Stores (Thrifty/Treasury Drug Stores)	390
Belgian Stores (Sarma) 52 (In 1987 Penney acquired Stinu Corp. of America, operator of units, a women's wear chain, expected to reach $57 million in 1988, and has announced plans to open a specialty chain-Mixit--about 100 stores selling moderately-priced junior wear)	
Petrie Stores Corp., Secaucus, NJ (1474 stores)	1,198.4
Phillips Van Heusen Corp., New York, NY (156 stores) (Combined sales of $75 million for 12 Hamburger's, 7 Kennedy's, 6 Juster's, 19 Harris & Frank stores; also operated 111 PVH Outlet Stores)	133.4
Pic'n Save, Carson, CA (101 stores)	304.5
H.C. Prange Co., Sheboygan, WI. (21 stores plus leased departments) (Discount dept. store sales estimated at $162 million)	339.0

II. SALES OF MAJOR APPAREL/GENERAL MERCHANDISE RETAILERS (CONGLOMERATES, NATIONAL CHAINS)

(continued)

Company	SALES (Millions of $)
Retail Ventures, Inc., Warrendale, PA (240 stores)	$ 220.0
Rose's Stores Inc., Henderson, NC (204 stores)	1,009.2
Ross Stores Inc., Newark, CA (121 stores) (Off price retail stores: apparel, footwear, linens)	534.4
Salkin & Linoff, Minneapolis, MN (358 stores) (Operates 14 department stores with sales of $4.0 million plus apparel stores and leased departments under various names)	110.0
Sears, Roebuck & Co., Chicago, IL. Merchandising Group (U.S.) 1,067 stores plus catalogs (Operates 806 general merchandise stores, 261 specialty stores. Sears is expanding its specialty store operations and in Dec. 1987 announced plans to acquire Pinstripe Petites, Minneapolis, MN based, 25-unit specialty chain)	22,092.0
Shopko Stores (SuperValu, Green Bay, WI (65 stores)	915.4
Spiegel, Inc. (Catalog sales)	1,000.0
Sprouse-Reitz Stores, Portland, OR (321 stores) (Operates a variety store chain)	205.6
Strawbridge & Clothier, Philadelphia, PA (33 stores)	739.1
Department Stores (12 stores)	432.1
Clover Discount Stores (21 stores)	307.0
Stuarts Department Stores, Inc., Hopkinton, MA (21 stores)	120.3
Spurgeon Mercantile Corp., (83 stores)	73.0
Susie's (Kinney Shoe Corp., New York, NY) (245 stores)	90.0
Toys "R" Inc., Rochelle Park, NJ (342 stores) (Operates 43 Kids "R" Us stores with sales estimated at $125 million; also 295 Toys "R" Us stores, 2 Boston Department Stores, NY, and 2 The Fair, Flint, MI stores)	2,444.9
U.S. Shoe Corp., Cincinnati, OH. Retail Div. (2,267 stores) (Includes 1,600 apparel stores including 702 Casual Corner stores which had sales estimated at $550 million and 300 Ups 'N' Downs stores with sales estimated at $667 million. U.S. Shoe sold J. Riggings stores to Edison Bros. in 1987)	1,450.2
Volume Merchandise Inc. (Parkland Hosiery, New Hyde Park, NY) (116 stores)	42.0

II. SALES OF MAJOR APPAREL/GENERAL MERCHANDISE RETAILERS
(CONGLOMERATES, NATIONAL CHAINS)
(continued)

Company		SALES (Millions of $)
Wal Mart Stores, Inc., Bentonville, AR (Stores & Wholesale Clubs)		$11,909.1
Wal Mart Stores (980 stores)		10,231.1
Sam's Wholesale Clubs & other (58 stores)		1,678.0
Acquired 21 Super Saver Clubs in 1987. Will open 2 Hypermarket USA stores in 1987.		
Weathervane, New Britain, CT (83 Weathervane stores, 8 J. Putnam, 13 D & L Venture Stores)		135.0+
Weiner's Stores, Houston, TX (118 stores)		225.0
F.W. Woolworth Co., New York, NY (6,309 stores, incl. shoe stores drug stores, etc.)		6,501.0
U.S. Woolworth, NY (1,164 stores)		1,954.0
Richman Bros. (198 stores) Anderson Little (121 stores)	(total of 319 stores)	261.0
Little Folk Shops Kids Mart (262 stores) Little Folk Shop (15 stores)	(total of 277 stores)	not available
(Richman is opening Cotton Supply Co. Stores in 1988)		
Zayre Corp., Framingham, MA (1,092 stores)		5,350.6
Zayre's (362 stores)		3,046.1
Apparel specialty stores (687 stores)		1,394.6
T.J. Maxx, Framingham, MA (226 stores)		1,010.0
Hit Or Miss Shops, Staughton, MA (461 stores)		384.0

SECTION III - AVAILABLE SALES FIGURES
DEPARTMENT/ APPAREL SPECIALTY STORES: 1986
(Headquarter Locations By Region, State & City)

NORTHEAST	APPROX. SALES (Millions of $)
CONNECTICUT	
Bridgeport/Trumbull	
Countdown of Connecticut (25 specialty stores)	$ 17.0
Read's Department Stores (Allied/Campeau, New York, NY) (6 stores: CT. 5, NY 1, merged with Jordan Marsh, Boston, MA, March 1987)	117.0
Enfield	
Casual Corner (U.S. Shoe Corp., Cincinnati, Ohio) (702 spec. stores)	550.0
Hartford	
G. Fox & Co. (May Dept. Stores Co., St. Louis, MO) (9 stores: CT 7, MA 1, RI 1) (A store in Galleria, Poughkeepsie, NY was opened in 1987)	264.0
Sage-Allen & Co. (14 jr. dept. stores: CT 13, MA 1) (Purchased by a management group in 1987. Store in Leominster, MA is to be opened in mid-1988)	77.7
Middletown	
Bob's (4 spec. stores)	50.0
Milford	
Wild Bills Inc. (8 spec. stores)	15.0
New Britain	
Weathervane (83 Weathervane stores, 8 J. Putnam stores, 13 D&L Venture Stores)	135.0+
Stratford	
Trim Fashion (32 spec. stores)	12.0
Sifer's Safariwear (7 spec. stores)	13.0
Yale Co-op. (3 spec. stores)	12.0
Waterbury	
S.H. Greenburg Inc. (7 Worth's spec. stores)	10.0+
MAINE	
Damariscotta	
R.H. Remy, Inc. (14 jr. dept. stores in ME)	12.0
Freeport	
L.L. Bean (22 mail order catalogs plus one store with a sales volume of $50 million plus, also manufacturing)	390.0
Portland	
Levinsky's (1 spec. store)	14.7
Porteous Mitchell & Braun Co. (6 dept. stores: ME 4, NH 1, VT 1)	40.0

DEPARTMENT/APPAREL SPECIALTY STORES

NORTHEAST	APPROX. SALES (Millions of $)
MASSACHUSETTS	
Allston	
Alden's, Inc. (26 spec. stores)	$ 20.0
Boston Area	
Filene's (Federated Department Stores, Cincinnati, OH) (16 department stores: MA 10, NH 2, ME 1, RI 1, CO 1, NY 1)	390.8
Chestnut Hill (to be renovated)	55.0
(3 small stores in Hanover, MA; Poughkeepsie, NY; Berkshire, MA were opened in Nov. 1987)	
Filene's Basement, Wellesley (Federated) (22 stores: CT 1, MA 11, NY 5, NJ 3, RI 1, PA 1)	252.1
Jordan Marsh-New England, (Allied/Campeau, New York, NY) (19 dept. stores: CT 1, MA 12, ME 1, NH 2, NY 2, RI 1)	580.0
(Read's Dept. Stores, Bridgeport, CT, 6 stores with a volume estimated at $117.0 million in 1987, were merged into Jordan Marsh in 1987. A Jordan Marsh store was opened in Poughkeepsie, NY in March 1987)	
Braintree	
Decelle (7 spec. stores)	27.5
Northeast Apparel (60 spec. stores)	100.0
Cambridge	
Fortune Inc. (16 spec. stores)	43.0
Harvard Cooperative Society (6 stores)	50.0
Fall River	
Liss, Inc. (11 spec. stores)	18.0
Framingham	
T.J. Maxx (Zayre Corp., Framingham) (226 stores)	1,010.0
Hingham	
The Talbots (General Mills, Minneapolis, MN) (84 stores)	224.0
(24 stores were opened in 1987. Stores account for 60% of sales; catalogs, 40%)	
Hyannis	
Puritan Clothing (8 spec. stores)	16.5
Lynn	
Hoffman's (4 spec. stores)	17.0
New Bedford	
Gentlemen's Warehouse (27 spec. stores)	20.0
Shrewsburg	
The Casual Male Inc. (142 stores)	35.0
South Attleboro	
Cherry Webb & Touraine (55 spec. stores)	96.0
Springfield	
Albert Steiger, Inc. (8 dept. stores: MA 7, CT 1)	73.0
Topsfield	
Empire Clothing Co. (19 spec. stores in MA & ME)	20.0

NORTHEAST	APPROX. SALES (Millions of $)
MASSACHUSETTS (continued)	
Waltham	
Grover Cronin, Inc. (1 jr. dept. store)	$ 12.0
Woburn	
Marshall's (Melville Corp., Harrison, NY) (261 stores)	1,409.8
Worcester	
Chess King (Melville Corp., Harrison, NY) (536 stores)	251.7
NEW JERSEY	
Beach Haven	
Hand Store, Inc. (4 jr. dept. stores)	12.0
Burlington	
Burlington Coat Factory (87 spec. stores)	391.6
Cranford	
Cosco (30 spec. stores)	15.0
Lawrenceville	
S.P. Dunham Inc. (3 spec. stores: NJ 2, PA 1)	15.0
Moorestown	
Feld & Sons (8 spec. stores)	40.0
Morristown	
M. Epstein, Inc. (3 stores)	33.0
Newark	
Hahne & Co. (May Dept. Stores Co., New York, NY) (8 dept. stores in NJ) (The former Gimbels Garden State store in Paramus will become a flagship store. Bridgewater Commons store to open in 1988)	153.0
Macy's New Jersey (formerly Bamberger's) (RH Macy Co., New York, NY) (25 stores: NJ 15, PA 5, NY 1, DE 1, MD 3) (1987 store openings: Marley Station and Baltimore, MD, Hamilton Township, NY, Tyson's Corner, VA)	1,440.0
Paramus	
Stern's (Allied/Campeau, New York, NY) (27 dept. stores including 9 former Gimbels-East stores acquired from BATUS: NJ 9, NY 12, PA 6) (Yonkers Cross County Shopping Center store on site of former Gimbels East, was opened April 1987. Expected 1st year volume: $50 million. Bridgewater Commons, Bridgewater, NJ store to open Feb. 1988; Toms River, NJ store to open in April 1988)	448.9
Patterson	
Jacobs Department Store (1 jr. dept. store)	11.0
Pennsauken	
I. Goldberg (7 spec. stores in DE, NJ, PA)	22.0
Jack Lang Clothes (33 spec. stores in DE, NJ, PA, MD, VA)	30.0

NORTHEAST

	APPROX. SALES (Millions of $)
NEW JERSEY (continued)	
Pine Brook	
The Children's Place (Federated Dept. Stores, Cincinnati, OH) (166 stores)	161.8
Ridgewood	
Brooks Sealfons (6 spec. stores)	24.0
Secaucus	
Daffy Dan's Bargaintown (8 stores in NJ, VA, NY)	38.0
Syms (20 spec. stores)	235.0
South Hackensack	
Joyce Leslie (32 spec. stores)	44.0
Summit	
Roots (Hartmarx Corp., Chicago, IL) (7 spec. stores)	22.0
Wayne	
Meyer Brothers (1 dept. store)	25.0
NEW YORK	
Baldwin	
The Pants Set (100 spec. stores in NJ under various names)	90.0
Buffalo	
Adam, Meldrum & Anderson (10 dept. stores in NY)	115.0
L.L. Berger, Inc. (7 spec. stores in NY)	15.0
Kleinhans Co. (Hartmarx Corp., Chicago, IL) (5 stores)	14.9
Sample, Inc. (10 spec. stores)	25.0
Cohoes	
Cohoes Specialty Stores (7 spec. stores: CT, NJ, NY, RI, VA)	17.5
Elmira	
S.F. Iszard, Inc. (3 jr. dept. stores in NY)	12.0
Garden City	
Field Bros. (Hartmarx Corp., Chicago, IL)	21.0
Latham	
Interstate Department Stores, Inc. (Toys "R" Us, Rochelle Park, NJ) Central buying office for two Boston Stores in NY and two The Fair Stores in MI.	37.0
New York City Area	
Abraham Brothers (incl. Lecours Bros., Sam Bros.) (100 spec. stores)	35.0
Abraham & Straus, Brooklyn (Federated Dept. Stores, Cincinnati, OH) (15 dept. stores: NY 9, NJ 4, PA 2) The two PA stores--King of Prussia and Willow Grove--were sold to Strawbridge & Clothier, Philadelphia in 1986. A&S will open a store in Valley Stream, NY and plans to open on the site of the former Gimbels, NYC in 1989.	778.6
Alcott & Andrews (10 spec. stores in CT, CA, DC, GA, IL, MD, NJ, NY)	28.0

DEPARTMENT/APPAREL SPECIALTY STORES

NORTHEAST

New York City Area (continued)

	SALES (Millions of $)
Alexander's Dept. Stores, Inc. (14 dept. stores CT, NJ, NY)	$ 520.0
Mohegan Lake, NY store was closed in Feb. 1986.	
B. Altman & Co. (Investors' group which acquired Altman's in 1986 sold total control to Hooker Corp., Australia in Oct. 1987 (6 stores)	211.0
The Fifth Ave. flagship store will be reduced in size.	
Ann Taylor (Allied/Campeau, New York, NY) (91 spec. stores)	200.0+
Ashley's Ltd. (5th Retail Corp.) (30 spec. stores)	30.0
Associated Retail Stores (95 spec. stores)	50.0
Barney's (1 spec. store)	60.0
A women's spec. store was opened in Sept. 1986, which was expected to reach a volume of $25 million in its first year.	
Henri Bendel (The Limited Inc., Columbus, OH) (1 spec. store)	25.0
Will be moved to larger quarters on Fifth Avenue by end of 1988.	
Bergdorf Goodman (Carter Hawley Hale, Los Angeles, CA) (1 spec. store)	120.0
Bijan Designers for Men (2 spec. stores)	42.0
Bloomingdale's (Federated Dept. Stores, Cincinnati, OH) (15 dept. stores plus a Home Store in Chestnut Hill, MA: CT 1, FL 2, MD 1, MA 1, NJ 2, NY 4, PA 2, TX 1, VA 1)	1,050.0
The 18th store, in Chicago, will open in the Fall, 1988; 19th, in Bloomington, MN in Spring of 1990. Started to open airport gift shops, Bloomies Express, in Nov. 1986.	
B. Boman & Co. (19 spec. stores)	30.0
Bonwit Teller (Allied/Campeau, New York, NY) (13 spec. stores)	158.0
MA 1, NY 3, NJ 1, PA 2, IL 2, MI 1, MO 1, FL 2	
The Beverly Hills, CA store was closed Jan. 1987, and the Palm Desert store was sold to Bullocks Willshire (Hooker).	
A new store is to be opened in Rodeo Drive, Los Angeles.	
Brooks Brothers (Allied/Campeau, New York, NY (57 spec. stores) Including $12.3 million in mail order sales.	231.1
Brooks Fashion Stores (partially owned by Dylex Ltd., Toronto, Canada) (77 spec. stores in the U.S.) In Chapter 11 (Dec. 1987)	412.0
Casual Corner (U.S. Shoe) (3 NYC stores)	6.6
Conway Stores (8 spec. stores)	56.0
Donlevy's (51 spec. stores)	50.0
G & G Shops (Petrie Stores Corp., Secaucus, NJ) (285 G & G and Rave shops throughout the US)	150.0
Getty BFO (7 spec. stores in NY, NJ, CT)	30.0
Goldring (39 spec. stores under various names plus leased depts.)	60.0
Guy LaRoche (15 spec. stores)	16.0

DEPARTMENT/APPAREL SPECIALTY STORES

NORTHEAST

NEW YORK

New York City Area (continued)

	APPROX. SALES (Millions of $)
Honey Bee (Einbender's, St. Joseph, MO) (12 spec. stores)	$ 20.0
Lane Bryant Inc. (The Limited, Columbus, OH) (579 stores)	500.0
Lerner Shops (The Limited Inc., Columbus, OH) (750 stores)	650.0
Loehmann's (May Dept. Stores Co., St. Louis MO) (90 off-price women's spec. stores including 12 opened in 1986)	351.0
3 stores were opened in 1987.	
Lord & Taylor (May Dept. Stores Co., St. Louis, MO) (45 stores: CT 2, DC 1, FL 9, GA. 1, IL 7, MD 1, MA 3, MI 4, NJ 2, NY 5, PA 2, TX 7, VA 2)	865.0
(A store in River Center, San Antonio, TX, is to be opend in the Fall of 1988; also a store in Oak Court Mall, Memphis, TN. In 1990 a store will be opened in Tysons Corner Center McLean, VA. It is expected to do $25 million in the 1st year) Sales of 7 Chicago area stores were reported at $130 million.	
Macy's New York (R.H. Macy, New York, NY) (22 dept. stores: NY 14, CT 2, FL 1, TX 6, plus Furniture Clearance Centers)	not available
Sales of Macy's New York in Dallas and in Houston were reported to total $222 million.	
Martha's (6 stores in FL, NY, PA)	$ 40.0+
Mays (J.W. Mays Inc., Brooklyn, NY) (3 NY dept. stores)	78.2
Montaldo's (12 spec. stores in CO, MO, NC, OH, VA)	40.0
No Name Stores (Arnold Constable Corp., New York, NY) (44 specialty stores in MI, NJ, OH, PA, VA)	18.0
Norstan Apparel (Artley, Fashion Centers), Long Island City (90 stores)	30.0
Paul Stuart (1 spec. store)	35.0
Phillips-Van Heusen Corp. (128 spec. stores)	133.4
Robbins Men's & Boys' Wear, Long Island City (19 stores)	56.0
Saks Fifth Avenue (BATUS, Inc., New York, NY) (44 spec. stores in AZ, CA, CT, FL, GA, IL, LA, MD, MA, MI, MO, NV, NJ, NY, OH, OK, PA, TX)	1,005.0
Fifth Ave. Flagship stores (to be enlarged)	230.0
3 Chicago stores	70.0
21 Saks Fifth Ave. stores are to be remodeled over the next five years. The South Hampton store is to remain open all year.	
Syms (20 promotional spec. stores)	235.0
Thimbles (BATUS, New York, NY) (46 spec. stores)	25.0
U.S. Factory Outlets Inc. (27 spec. stores)	27.0
Wallachs (Hartmarx, New York, NY) (28 spec. stores)	90.0
Young World Inc. (Suzette Kiddie Togs Inc.) (8 stores)	28.0

DEPARTMENT/APPAREL SPECIALTY STORES

NORTHEAST		APPROX. SALES (Millions of $)
NEW YORK		
Patchogue		
Swezey & Newings, Inc. (3 jr. dept. stores)	$	28.0
Rochester		
B. Forman & Co. (McCurdy & Co., Rochester, NY) (14 NY spec. stores)		50.0
McCurdy & Co. (7 dept. stores, NY)		65.0
Sibley's (May Department Stores Co., Indianapolis, IN) (13 stores: 7 in Rochester, 4 in Buffalo, 2 in Syracuse)		192.0
Schenectady		
The Carl Co. (7 dept. stores in NY)		30.0
Seaford		
Mid-Island Department Stores Inc. (7 stores)		40.0
South Glens Falls		
Economy Dry Goods (3 Joy Dept. Stores)		45.0
Syracuse		
The Addis Co. (4 NY spec. stores)		10.0
Chappell's Dept. Store (7 NY spec. stores)		40.0
Dey's (Allied/Campeau, New York, NY) (4 NY spec. stores)		36.6
Downtown Syracuse store was closed in 1987.		
Westbury		
Masters, Inc. (161 spec. stores)		135.0
White Plains		
Steinbach's (29 stores)		170.0
Acquired by Amcena Corp., New York, NY in 1986 from Supermarkets General and combined with Howland's and Hochschild's. This operation includes 5 former Ohrbach's stores.		
PENNSYLVANIA		
Allentown		
Alice Kay (20 spec. stores)		17.0
Hess's Department Stores, Inc. (Crown American Corp., New York, NY) (41 stores in 1986)		367.5
In 1987, Hess's had 71 stores in PA, NY, MD, WV, TN, KY, IN, GA. 13 Miller's, Knoxville, TN, with a volume of $107 million were acquired from Allied/Campeau in June 1987. Hess's also acquired Snyders, Louisville, KY. 14 dept. stores with a volume of $55 million. Stores are to be renamed Hess's in Feb. 1988. New stores are to be opened in Asheville, NC and Chesapeake, VA		
H. Leh & Co. (3 PA dept. stores)		23.0

DEPARTMENT/APPAREL SPECIALTY STORES

NORTHEAST

PENNSYLVANIA	APPROX. SALES (Millions of $)
Aston	
The Dry Goods Inc. (7 dept. stores in DE, NJ, PA)	$ 110.0
Easton	
County Miss Inc. (Hartmarx, New York, NY) (75 spec. stores)	75.0
Orr's Dept. Stores Inc. (5 stores: NJ 3, PA 2)	15.0
Harrisburg	
Pomeroy's (Allied/Campeau, New York, NY) (16 stores after Harrisburg and Levittown, PA divisions were consolidated Jan. 1987)	160.3
The Wilkes-Barre store was closed and 2 Pomeroy's were sold to Boscov's Ports of the World Div.: Willingboro, NJ; Levittown, PA; and Wilmington, DE to Boscov's. In June 1987, Allied agreed to sell the 12 remaining Pomeroy's to Bon Ton Department Stores, York, PA, a unit of S. Grumbacher & Son, which sold the Lancaster store--a former Gimbels--unit to Boscov.	
Huntingdon Valley	
Artie's Inc. (25 spec. stores)	13.0
Johnstown	
Glosser Bros. Department Store Div. (1 dept. store)	11.0
King of Prussia	
Casual Corner (20 spec. stores)	15.0
Lancaster	
Watt & Shand (2 PA dept. stores)	31.0
Philadelphia	
Boyd's (1 spec. store)	$ 20.0
Deb Shops Inc. (231 women's spec. stores, Northeast and South)	181.0
Constan Inc. (300+ spec. shops under different names)	200.0
Nan Duskin (3 spec. stores)	16.0
Strawbridge & Clothier (12 dept. stores)	410.0
(Acquired 2 Abraham & Straus stores in 1986: King of Prussia and Willow Grove. Operates discount variety stores, (Clover Stores) which had a 1986 volume estimated at $307 million.	
John Wanamaker (Carter Hawley Hale, Los Angeles, CA)	not available
15 of 16 stores were sold in 1986 to Woodward & Lothrop, Washington DC. However, a price dispute has developed. The flagship store in Philadelphia was sold to a developer, with a longterm lease held by John Wanamaker. In August, Wanamaker sold The Globe store, Scranton, to a local investment group.	

NORTHEAST

PENNSYLVANIA (continued)

Pittsburgh

	APPROX. SALES (Millions of $)
Joseph Horne Co. (14 dept. stores, OH 3, PA 11)	$ 228.0
Sold by May Department Stores Co., St. Louis, MO to a group of investors in Nov. 1986.	
Kaufmann's (May Department Stores Co., St. Louis, MO) (16 dept. stores: OH 5, PA 10, WV 1)	455.0
Includes Strouss Co. stores merged with Kaufmann's and 3 former Gimbels Midwest Stores which were acquired from Amcena in 1986.	

Quakerstown

Apparel Affiliates (89 spec. stores)	53.0

Reading

Boscov's Dept. Stores, Inc. (12 dept. stores: DE 1, NY 1, PA 10)	287.0
Boscov acquired the Pomeroy's store in Concord Mall, DE, from Allied/Campeau as well as the Lancaster, PA store from Bon Ton, York, PA. Two Pomoroy's were acquired for Boscov's Ports of the World Div. from Allied/Campeau.	
Fashion Flair (Crystal Brands Inc.) 45 spec. stores	40.0

Warrendale

Fashion Factory (83 spec. stores)	55.0

York

Bon Ton Dept. Stores (S. Grumbacher & Sons, Inc.) (19 dept. stores in PA, WV, MD, OH, NY, operated under various names)	75.0
Bon Ton purchased 12 of the Pomeroy's stores, Harrisburg, from Allied/Campeau in 1987, then sold one (Lancaster, PA) to Boscov's.	

MIDWEST

ILLINOIS

Burr Ridge

Al Baskin (10 spec. stores)	60.0

Chicago Area

Baskin Clothing Co. (Hartmarx, Chicago, IL) (19 stores)	45.0
Carson Pirie Scott & Co. (Retail Group, total incl. spec. stores)	781.8
20 Department stores (IL 17, IN 3)	435.0
301 The County Seat stores had sales of about $300 million in 1986. CPS will open a store in Ridge Mall, Chicago, Aug. 1988 and in Northfield Center, Bradley IL in 1989--a replacement for the Kankakee, IL store. One of Carson's largest stores will open in a former Wieboldt Chicago store in July 1988.	

DEPARTMENT/APPAREL SPECIALTY STORES

MIDWEST	APPROX. SALES (Millions of $)
Chicago Area (continued)	
Baskin Clothing Co. (Hartmarx, Chicago, IL) (19 stores)	$ 45.0
Carson Pirie Scott & Co. (Retail Group, total incl. spec. stores)	781.8
20 Department stores (IL 17, IN 3)	435.0
301 The County Seat stores had sales of about $300 million in 1986. CPS will open a store in Ridge Mall, Chicago, Aug. 1988 and in Northfield Center, Bradley IL in 1989--a replacement for the Kankakee, IL store. One of Carson's largest stores will open in a former Wieboldt Chicago store in July 1988	
Chas. A. Stevens Co. (26 spec. stores)	70.0
Claire's Stores Inc. (463 Claire's Boutiques)	87.0
Evans Inc. (9 stores)	40.0
Goldblatt Bros., Inc. (10 stores: Chicago area 8, IN 2)	41.2
Karolls Men's Fashions (16 stores)	25.0
Lord & Taylor (Lord & Taylor, New York, NY) (7 Chicago area stores)	130.0
I. Magnin (I. Magnin, San Francisco, CA) (3 stores)	50.0
Main Street (Federated Dept. Stores, Cincinnati, OH) (15 stores in IL and MC)	109.3
Marshall Field (BATUS Inc., New York, NY) (25 dept. stores: IL 15, TX 4, WI, 6 incl. 5 former Gimbels Midwest stores in WI)	925.0
(26th store to open Mar. 1989 in Columbus OH. Expected to have a volume of $25-$30 million in the 1st year)	
Montgomery Ward (Mobil Corp.) (295 stores)	4,375.0
Plus 25 liquidation center. Will increase emphasis on opening spec. stores including appliance, etc.	
Neiman-Marcus (Neiman-Marcus, Dallas, TX) (3 Chicago stores)	100.0+
Sears Roebuck & Co. (Domestic Merchandising: 806 general mdse. stores, 261 spec. stores plus catalogs)	22,092.0
Spurgeon Mercantile (83 stores in IL, IN, IA, MN, SD, WI)	73.0
Wieboldt Stores, Inc. (WSI Acquisition Corp.) (13 stores) (Filed Chapter 11 in Sept. 1986)	175.0
Elgin	
Joseph C. Spiess Co. (5 dept. stores)	26.0
River Forest	
Madigan's (5 spec. stores)	35.0
Evansville	
DeJong's (3 spec. stores)	20.0

	APPROX. SALES (Millions of $)
INDIANA (continued)	
Indianapolis	
L.S. Ayres (May Department Stores, New York, NY) (25 dept. stores in IN, KY, OH) (In 1987 May sold 5 L.S. Ayres stores to Snyders Inc., Louisville, KY. Prior to the completion of this sale, however Hess's, Allentown, PA acquired Ayers and Snyders. The two operations were combined into Snyder's, Louisville, KY. Plans were also underway for May to sell one Ayres store to Burlington Coat Factory and one to a developer, Rouse Co., leaving 18 Ayres in operation)	$ 440.0
Block's (Allied Stores/Campeau, New York) (10 stores: IN 8, OH 2) (In April 1987, Block's was sold to Federated Dept. Stores and combined with 2 Herpolsheimer, Grand Rapids, MI stores. Projected total sales for year 1987 of the combined operation: $104.6 million. The downtown Indianapolis Block's, in Southern Plaza, was closed Jan. 1987)	92.0
Paul Harris Stores (296 spec. stores) (70 new stores to be opened in 1987. Paul Harris also operates 32 free standing Pasta stores and 30 Clothes Out Junction stores)	161.0
Harry Levinson, Inc. (11 spec. stores)	14.0
L. Strauss & Co. (6 spec. stores)	12.0

Three Lazarus Dept. Stores in Indianapolis were sold by Federated to Montgomery Ward in 1987.

IOWA	
Cedar Rapids	
Armstrong's (2 IA dept. stores)	20.0
Davenport	
Petersen-Harned-V[illegible]aur, Inc. (9 dept. stores: IL 1, IA 8)	50.0+
Des Moines	
Younkers Inc. (Equitable of Iowa Companies, Des Moines, IA) (26 dept. stores: IL 1, IA 21, MN 1, NV 2, SD 1) (Younkers opened 2 replacement stores in 1986: Sioux City and Cedar Rapids, IA. Will buy 11 dept. stores owned by J.L. Brandeis & Sons, Omaha, to bring the total to 37 stores with volume projected to about $300 million in 1987)	194.3

MIDWEST

	APPROX. SALES (Millions of $)
KANSAS	
Kansas City (See MISSOURI)	
Lenexa	
Woolf Brothers Inc. (6 spec. stores)	$ 38.0
Parsons	
Litwin's Inc. (14 stores in KS, OK, IN)	15.0
Wichita	
Henry's Inc. (2 spec. stores)	16.0
Shepler's Inc. (8 spec. stores in CO, KS, OK, TX)	75.0
MICHIGAN	
Detroit	
Anton's (Hartmarx, New York, NY) (9 stores)	15.0
Crowley, (Oakland Holding Co.) (12 jr. dept. stores in MI)	113.0
United Shirt Distributors Inc. (31 spec. stores)	13.0
Grand Rapids	
Gantos (55 spec. stores in CT, IL, IN, MD, MA, MN, MI OH, PA, VA, WI)	75.0
Herpolsheimer's (Merged into Block's by Allied/Campeau, then entire operation was sold to Federated to be merged with Lazarus Stores. (See INDIANAPOLIS listing.) (2 stores)	8.0
Paul Steketee & Sons (6 gen. mdse. stores in MI)	29.7
Jackson	
Jacobsons Stores Inc. (20 dept. stores: FL 9, MI 10, OH 1)	308.5
Kalamazoo	
Gilmore Brothers, Inc. (4 gen. mdse. stores)	12.0
Redwood & Ross Co. (20 spec. stores in IL, IN, MI, WI)	16.0
Livonia	
Hadley Arden Inc. (19 spec. stores)	11.0
Mason	
Dancer's Fashions (29 spec. stores in MI, OH)	14.5
Pontiac	
Alvins (15 spec. stores in GA, MI)	16.0
Saginaw	
Town & Country Fashions Inc. (19 spec. stores)	17.0
Troy	
Designer Depot (78 spec. stores) (Divested by Kmart Co., Troy, MI at end of 1986)	200.0

DEPARTMENT/APPAREL SPECIALTY STORES

MIDWEST	APPROX. SALES (Millions of $)
MINNESOTA	
Duluth	
Glass Block Stores (Part of Hennessey's, Billings, MT owned by Mercantile Stores, New York, NY) (1 dept. store)	$ 20.0
Eden Prairie	
Braun's Fashions Inc. (106 spec. stores: Brauns, G'Charles, Gigi, Masseys)	50.0
Lake Elmo	
Connco (25 spec. stores)	16.0
Minneapolis	
Donaldson's (Allied/Campeau, New York (15 stores: IA 2, MN 13) Sold to Carson Pirie Scott, Chicago, in 1987, and integrated into Carson's Chicago headquarters)	189.5
Lancer Stores (33 spec. stores)	15.0
Midwest Stores (300 spec. stores)	19.0
St. Cloud	
G.R. Herberger's (31 dept stores: MN 12, MT 4, NV 5, ND 4, SD 2, WI 3, WY 1)	100.0
MISSOURI	
Joplin	
Newman's Mercantile Co. (6 spec. stores: KS 2, MO 2, OK 2) (KS and OK stores are to be closed in 1988)	25.0
Kansas City	
Halls/Swansons (Hallmark Cards, Inc.) (3 stores)	33.0
Jack Henry Clothing (Hartmarx Corp., Chicago, IL)	15.0
The Jones Store (Mercantile Stores, New York, NY)(9 dept. stores) (Including 2 former Dillard stores acquired in 1986)	220.0
St. Louis	
Dillard Dept. Stores-St. Louis Div. (Dillard Dept. Stores, Little Rock, AR) (24 storee: IL 1, KS 5, MO 18)	not available
Edison Apparel (Edison Bros. Stores, St. Louis, MO) (1,072 stores)	334.0
Famous-Barr (May Dept. Stores Co., St. Louis, MO) (18 dept. stores: MO 13, IL 5)	495.0
Flagship store, St. Louis, MO	60.0+
Gold's Dept. Stores Inc. (Interco Inc., St. Louis, MO) (9 stores: MO 8, IL 1)	17.0
May Department Stores Co. (259 stores)	6,503.0
Worth Stores Corp. (150 spec. stores)	40.0
Springfield	
Heer's (Allied/Campeau Stores Corp., New York, NY) (2 MI dept. stores sold to a management group in 1987)	10.0

DEPARTMENT/APPAREL SPECIALTY STORES

MIDWEST	APPROX. SALES (Millions of $)
NEBRASKA	
Kearney	
Brass Buckle (42 spec. stores in AR, IA, KS, MO, NE, OK))	$ 30.0
Lincoln	
Miller & Paine Inc. (3 Nebraska stores)	10.0
Omaha	
Jerry Leonard Inc. (Allied/Campeau Stores Corp., New York, NY) (26 spec. stores in CO, MN, MS, NE, ND, TX)	17.0
Richman-Gordman Stores, Inc. (12 gen. mdse. stores: IA 4, KS 2, NE 6)	199.0
OHIO	
Akron	
M. O'Neil Co. (May Dept. Stores, St. Louis, MO) (9 Ohio stores)	182.0
Ashtabula	
Carlisle's Retailers Inc. (10 spec. stores in OH, PA)	40.0
Bowling Green	
Fred W. Uhlman & Co. (32 spec. stores in OH, IN, MI)	50.0
Cincinnati	
Brendamour's (19 spec. stores in IN, KY, OH)	16.0
Federated Department Stores, Inc. (260 dept. stores)	6,974.3
Giddings Jenny (B. Miller Inc.)(3 spec. stores: IN 1, KY 1, OH 1)	15.0
Lazarus Dept. Stores (Federated Dept. Stores, Cincinnati) (32 stores in OH, IN, KY, WV including Shillito and Rike's, Cincinnati stores acquired in 1986 and merged into Lazarus)	904.7
In 1987, Lazarus acquired from Allied/Campeau 10 Block's, Indianapolis stores and 2 Herpolsheimer, Grand Rapids, MI stores, merged into the Lazarus operation. 3 Indianapolis stores were sold to Montgomery Ward. The combined volume of the former Block's and Herpolsheimer stores in 1987 is estimated at $104.6 million.	
McAlpin Co. (Mercantile Stores, New York, NY) (9 stores OH, KY)	335.0
Cleveland	
The Higbee Co. (Brierley Investments Ltd., New Zealand)	299.8
(15 stores: Cleveland: 7 full-line dept. stores, 3 spec. dept. stores, 1 jr.'s/young men's apparel store, 1 home store; Akron. 2 spec. dept. stores; Canton: 1 full-line dept. store)	
A Cincinnati full-line dept. store will be opened in 1988. In Dec. 1987 sale of Higbee's to Dillard Dept. Stores and the Edward J. DiBartolo Corp. was announced.	
The May Co., Cleveland (May Department Stores, St. Louis, MO) (10 dept. stores in Ohio, 8 of which are in Greater Cleveland)	248.0
Kline Brothers (24 spec. stores in 12 states plus 1 Katz dept. store, Stillwater, OK)	75.0

DEPARTMENT/APPAREL SPECIALTY STORES

	APPROX. SALES (Millions of $)
MIDWEST	
OHIO (continued)	
Columbus	
Schottenstein Stores Corp. (3 Schottensteins in Columbus plus Gimbels, Pittsburgh) Operates or invests in some 700 retail stores plus apparel manufacturing operations with total volume estimated at over $350 million.	$ 40.0
Dayton	
Elder-Beerman Stores Corp. (26 dept. stores in OH and IN) Also operates 102 Margo's spec.stores. Company plans to go private.	285.0
Toledo	
Lion Dry Goods (Mercantile Stores Co., New York NY)	120.0
Youngstown	
Strouss (merged with Kaufmann's in 1986. See Pittsburgh listing)	
WISCONSIN	
Brookfield	
Kohl's Department Stores (BATUS Inc., New York, NY and other owners) (40 dept. stores: IL 5, IN 11, WI 24)	360.0
Green Bay	
Prange's (H.C. Prange Co., Sheboygan, WI) (21 dept. stores: IL 2, MI 2, WI 17)	162.0
Milwaukee	
P.A. Bergner (31 stores incl. 8 The Boston Stores: IL 24, WI 7) The Boston Stores are former Gimbels-Midwest units acauired from BATUS. (The remainder were either closed or sold to Marshall Field)	352.0
J.L. Marcus (2 spec. stores)	10.0
SOUTH	
ALABAMA	
Anniston	
Kitchin's (6 spec. stores)	15.0
Wakefield's (5 spec. stores)	28.0
Birmingham	
Parisian Inc. (14 spec. stores) (In 1987 2 stores were opened: Chattanooga and Pensacola. In 1988, stores will be opened in Sarasota and in Montgomery) 13 Home Store departments were closed in 1987. In Aug. 1987, Hooker Corp., Australia, agreed to participate in the purchase of the Parisian Inc. along with a group of Parisian shareholders.	226.4
Pizitz: See McRae's. Jackson, MS	
Yeildings (6 spec. stores in AL)	25.0
Gadsden	
Belk-Hudson (Belk Stores Services, Charlotte, NC) (8 stores)	25.0

DEPARTMENT/APPAREL SPECIALTY STORES

SOUTH	APPROX. SALES (Millions of $)
ALABAMA (continued)	
Mobile	
C.J. Gayfer & Co., Springdale Plaza (Mercantile Stores, New York, NY) (12 dept. stores: AL 3, FL 6, MS 3)	$ 350.0
Montgomery	
Gayfers/Montgomery Fair (Mercantile Stores, New York, NY) (6 dept. stores: AL 4, GA 2)	175.0
ARKANSAS	
Little Rock	
M. M. Cohn (10 spec. stores in AR, OK, TN)	50.0
Designs Inc. (29 spec. stores) (Planned to open 16 to 20 in 1987)	28.5
Dillard Dept. Stores-Little Rock Div. (Dillard Dept. Stores, Inc., Little Rock, AR) (26 stores: AR 7, LA 6, TN 7, TX 5)	not available
Dillard Dept. Stores, Inc., Little Rock, (138 stores in 5 divisions)	1,851.4
DISTRICT OF COLUMBIA (Also see listings in Virginia and Maryland)	
Garfinckel's (Allied/Campeau, New York, NY) (10 spec. stores: DC 2, MD 3, VA 5)	117.6
Sold by Campeau to Raleigh's, Washington, DC in 1987 Washington, DC Flagship Store	28.9
Plymouth Shops (Allied/Campeau, New York, NY) (49 spec. stores) (Sold in 1987 to Tribeca Holdings to be combined with Lamston's, Washington, DC)	61.2
Raleighs (10 spec. stores in DC, MD, VA) Purchased Garfinckels from Allied/Campeau in 1987.	75.0
Woodward & Lothrop (Taubman Holdings, Detroit, MI) (15 dept. stores: DC 1, MD 10, VA 4, plus a Clearance Store) (The downtown store was reopened in Oct. 1986 after renovation. It is expected to generate a volume of $80 million in its first year. In 1986 Woodward & Lothrop acquired John Wanamakers, Philadelphia, from Carter Hawley Hale, bringing the combined total to 32 stores with volume over $1 billion in 1987.)	496.7
Esprit, Georgetown, Washington, DC opened a store Aug. 1987. Expect to reach $4.5 million in the first year.	
FLORIDA	
Jacksonville	
May-Cohen's (May Dept. Stores, St. Louis, MO) (5 dept. stores)	80.0
The Vogue Shops, Inc. (180 spec. stores in the South)	85.0
Miami-Palm Beach-Fort Lauderdale Area	
Baron's, Miami (13 spec. stores)	17.5
Burdine's (Federated Dept. Stores, Cincinnati, OH) (29 dept. stores in FL)	809.7
Claire's Stores Inc., Miami (439 spec. stores)	87.2
JByron's Department Stores, Miami (Amcena, New York, N.Y.) (17 dept. stores in FL)	220.0

DEPARTMENT/APPAREL SPECIALTY STORES

SOUTH	APPROX. SALES (Millions of $)
FLORIDA	
Miami-Palm Beach-Fort Lauderdale Area (continued)	
Jordan Marsh, Miami (Allied/Campeau, New York, NY) The 17 Jordan Marsh stores, with an estimated volume of $270 million in 1987 were merged with Maas Brothers, Tampa, FL., Jan. 1987.	$ 270.0
Lansons Inc., North Miami Beach (10 spec. stores in FL)	28.0
Sara Fredericks, Palm Beach (Hutzler Bros., Townson, MD) (8 spec. stores in FL, MA, NY)	15.0
Surreys of Florida Inc., Miami (20 spec. stores)	16.0
Mount Dora	
His Stores For Men (26 spec. stores)	17.5
Tampa-St. Petersburg	
Bentain Inc., Tampa (14 spec. stores)	11.0
Maas Brothers, Tampa (Allied/Campeau, New York, NY) (20 dept. stores incl. 2 Levy's of Savannah, GA store merged with Maas in 1986) Est. vol. 1987:	350.0
Robinson's of Florida (May Dept. Stores Co., St. Louis, MO) (4 dept. stores in Tampa-St. Petersburg, 3 in Orlando, 1 each in Sarasota, Fort Myers and Naples. In 1987 Robinson's of Florida was sold to Maison Blanche-Goudchaux, Baton Rouge, LA. Name change will be phased in but will be called Robinson's/Maison Blanche until this occurs)	136.0
Winter Park	
Ivey's-Florida (BATUS Inc., New York, NY) (12 dept. stores in FL) (This operation was consolidated with Ivey's-Carolinas in 1987, with headquarters in Charlotte, NC)	120.0
GEORGIA	
Albany	
Belk's Dept. Store (Belk Stores Services, Charlotee, NC) (4 GA stores)	13.0
Atlanta	
H. Kessler & Co. (6 GA stores plus wholesale operation)	16.0
Macy's-Atlanta (R.H. Macy & Co. Inc., New York, NY) (16 stores: AL 1, GA 13, LA 1, SC 1) A store in New Orleans was opened Oct. 1986 which was expected to reach a volume of $45 million in its first year A Riverchase Mall, Birmingham, AL store was opened March 1987.	605.0
George Muse Clothing Co. (7 spec. stores)	18.0
Rich's (Federated Dept. Stores, Cincinnati, OH) (20 dept. stores: AL 2, GA 15, SC 2, plus Outlet Home Store, Atlanta) Opened in 1986 were an Atlanta headquarter store in Riverchase Galleria, Birmingham; Town Center, Kennesaw, GA and an Atlanta furniture sotre. Rich's discount operation -- 31 Richway stores -- was merged into the 45-store Gold Circle operation, Columbus, OH in Jan. 1986.	690.6

DEPARTMENT/APPAREL SPECIALTY STORES

SOUTH	APPROX. SALES (Millions of $)
GEORGIA	
Atlanta (continued)	
J. Riggings (U.S. Shoe Corp., Cincinnati, OH) (218 young men's apparel spec. stores)	$ 90.0
Sold in 1986 to Edison Bros. Stores. Headquarters to be moved to St. Louis.	
Upton's (11 stores: GA 7, TN 3, NC 1)	26.0
Will open 2 stores in Fall 1987. Plans to buy 8-unit Meyers-Arnold, Greenville, SC chain which has a volume of about $26 million.	
Augusta	
J.B. White & Co. (Mercantile Stores, New York, NY) (6 dept. stores: GA 2, SC 4 plus a furniture store)	145.0
LaGrange	
Mansour's, Inc. (2 jr. dept. stores in GA)	20.0
Norcross	
Hartmarx Specialty Stores Inc. (230 spec. stores)	415.1
Kuppenheimer (Hartmarx Specialty Stores, Inc. Norcross, GA) (210 spec. stores)	160.0
KENTUCKY	
Lexington	
Dawahares of Lexington, Inc. (22 spec. stores)	40.0
McAlpin Co. (Mercantile Stores Co., New York, NY) (2 jr. dept. stores)	20.0
Louisville	
Bacon's (J. Bacon & Son Co.) (Mercantile Stores, New York, NY) (6 dept. stores: IN 1, KY 5)	150.0
BATUS, Inc. (50 dept. stores, 90 spec. stores, 57 home furnishings stores. Two dept. store divisions: Ivey's, Charlotte, NC and Marshall Field, Chicago, IL)	not available
Behr Stores (34 spec. stores in the South)	23.0
Fashion Shop (5 spec. stores)	18.0
Rodes-Rapier Co. (4 spec. stores in KY)	10.0
Snyder's Inc. (9 dept. stores: KY 7, TN 1, IN 1)	50.0
(Agreed to buy 5 L.S. Ayers KY stores from May Dept. Stores Co., Oct. 1987. Both Snyder's and the 5 Ayres stores were, however, acquried by Hess's Department Stores, Allentown, PA in Oct. 1987)	
LOUISIANA	
Alexandria	
Wellan's (3 gen. mdse. stores in LA)	13.0
Also owns Palais Royal, Shreveport, LA	

SOUTH	APPROX. SALES (Millions of $)
LOUISIANA	
Baton Rouge	
Maison Blanche/Goudchaux (7 dept. stores in LA) Acquired 10 Robinson's of Florida stores, with a volume of $136 million from May Dept. Stores Co. in 1987. Combined volume for 1988 estimated at $336 million.	$ 224.1
Harahan	
Wiener Enterprises, Inc. (Apparel Division) (116 spec. stores in South)	30.0
Lafayette	
Abdalla's Lafayette (6 spec. stores)	18.0
Minden	
West & Co. of LA (14 gen. mdse. stores in AR, LA, MS plus 7 discount centers)	30.0
New Orleans	
D.H. Holmes Co. (19 dept. stores: AL 1, FL 1, LA 15, MS 2)	270.4
Krauss Co., Ltd. (1 dept. store)	24.0
(Macy's Atlanta opened its first of two planned stores in New Orleans in Oct. 1986, which is expected to do a volume of $45 million in its 1st year. The second store is under construction)	
Shreveport	
Beall-Ladyman (62 spec. stores in AL, AR, KS, LA, MS, MO)	95.0
Selber Brothers (5 spec. stores)	25.0
MARYLAND	
Baltimore	
Joseph A. Bank Clothiers, Inc. (34 spec. stores plus mail order)	136.0
L. Epstein & Sons (10 jr. dept. stores in MD)	40.0
Hamburger's/Kennedy's/Harris & Frank (40 spec. stores in CA, DE, MD, MA, PA, RI)	60.0
Webster Men's Wear (108 spec. stores)	48.3
Frederick	
Routzahns & Sons Inc. (7 spec. stores)	10.0
Townson	
Hutzler's (10 dept. stores in MD) (Inner Harbor, Baltimore store was closed Dec. 1986) The flagship store in Towson is to be rennovated. Hutzler also owns 8 Sara Fredericks stores in NJ, FL, MA and 6 designer stores in FL and the East Coast, which have a volume of about $15 million.	104.0
Pasadena	
Tylers (9 spec. stores in MD, PA)	10.0

DEPARTMENT/APPAREL SPECIALTY STORES

SOUTH	APPROX. SALES (Millions of $)
MISSISSIPPI	
Canton	
Thomas-Walker-Lacey (43 spec. stores in AL, LA, MS)	$ 20.0
Jackson	
McRae's, Inc. (15 dept. stores: FL 1, MS 12, LA 1, AL 1) Acquired 16 Pizitz, Birmingham, AL, stores in Dec. 1986. These stores will be named McRaes. 29-store total:	350.0
NORTH CAROLINA	
Charlotte	
Casual Corner (13 spec. stores) Acquired by U.S. Shoe to be integrated in their Casual Corner chain.	7.0
Belk Stores Services Inc. (350 Belk and Leggett stores)	3,000.0
Ivey's (Batus Inc., New York, NY) (13 stores)	155.0
(In 1987 BATUS consolidated Ivey's-Carolinas and Ivey's-Florida's 12 stores with a volume estimated at $120 million, for a combined total of about $275 million)	
Fayetteville	
Belk-Hensdale Dept. Stores (Belk Stores Services Inc., Charlotte, NC) (13 stores in NC)	13.0
Greensboro	
Rolane Corp. (Kayser-Roth Hosiery, Greensboro, NC) (40 spec. stores)	27.8
Hendersonville	
World of Clothing Inc. (1 spec store)	20.0
North Wilkesboro	
N.B. Smithey Co. (11 NC spec. stores)	14.0
Rocky Mount	
Belk Stores (Belk Stores Services Co., Charlotte, NC) (16 stores)	75.0
OKLAHOMA	
Oklahoma City	
C.R. Anthony (C.R. Anthony Holding Co./Citicorp Venture Capital Ltd.) (268 general mds. stores)	411.3
3 Beall Bros. 3, Jacksonville, TX may be acquired and merged with C.R. Anthony, but will operate as a separate entity.	
Rothschild's (4 spec. stores)	20.0
Streets (11 spec. stores)	24.0
Tulsa	
Renberg's (4 spec. stores)	25.0
The Vandever Co. (The Dunlap Co., Fort Worth) (2 OK spec. stores)	11.0

DEPARTMENT/APPAREL SPECIALTY STORES

SOUTH	APPROX. SALES (Millions of $)
SOUTH CAROLINA	
Easley	
Garrett's (7 spec. stores)	$ 10.0
Florence	
Tomlinson Stores, Inc.	11.0
Gaffney	
Hamrick's Inc. (8 spec. stores)	50.0
Greenville	
Baby Superstores Inc. (20 spec. stores in AL, FL, GA, NC, SC, VA)	12.0
Meyers-Arnold Co. (8 dept. stores: GA 2, NC 1, SC 5) (To be sold to Upton's, Atlanta, GA)	26.0
TENNESSEE	
Alcoa	
Proffitt's Dept. Stores (5 dept. stores in TN) Flagship store in Knoxville is being enlarged.	43.6
Athens	
Goody's Family Clothing (65 spec. stores in the South)	150.0
Chattanooga	
Loveman's (6 dept. stores: TN 5, GA 1)	37.5
The Leader Inc. (3 spec. stores)	20.0
Hess's, Allentown, PA will open a Hess's Dept. store in Chattanooga in the Fall of 1988-which is expected to have a volume of $20 million in the first year.	
Clarksville	
Parks-Belk Co. (Belk Store Services, Charlotte, NC) (5 dept. stores)	25.0
Knoxville	
Hunter Haig, Inc. (26 spec stores operating under various names)	35.0
Millers (Allied/Campeau, New York, NY) (12 stores in TN, VA, GA) Sold May 1987 to Hess's, Allentown, PA. Expected to reach a volume of $115 million in 1987. Store to open in Chattanooga, as noted above, but all Miller's stores will be renamed Hess's on Feb. 1, 1988.	107.2
Memphis	
Goldsmith's (Federated Dept. Stores, Cincinnati, OH) (6 dept. stores in TN)	174.0
Oak Hall (2 spec. stores)	10.0
Lord & Taylor plans to open a store in Oak Court Mall, Memphis in the Fall, 1988.	
Nashville	
Cain-Sloan (Allied/Campeau, New York, NY) (4 dept. stores in TN) (Sold to Dillard Dept Stores, Little Rock, AK)	67.4
The Castner Knott Dry Goods Co. (Mercantile Stores, New York, NY) (11 dept. stores: AL 3, KY 1, TN 7)	225.0
The Harvey Co. (9 jr. dept. stores: KY 1, TN 8)	35.0

DEPARTMENT/APPAREL SPECIALTY STORES

SOUTH	APPROX. SALES (Millions of $)
TEXAS	
Austin	
Scarbrough's (3 dept. stores in TX)	$ 20.0
Dallas	
Colbert's Inc. (10 spec. stores)	20.0
Joske's (Allied/Campeau, New York, NY) (27 dept. stores in TX)	365.2
(All stores except downtown store were sold to Dillard's in 1987, two of which may be sold to Foley's)	
Downtown Dallas stores	6.1
Sunrise Mall, Corpus Christie	16.4
Ingram Park Mall, Beaumont	12.4
Macy's (R.H. Macy, New York, NY) (2 dept. stores)	120.0
Dallas Galleria	56.0
Margo's (Elder-Beerman Stores Corp., Dayton, OH) (102 stores)	60.0
Neiman-Marcus Group (spun off by Carter Hawley Hale to General Cinema. In a restructuring, the Group includes Bergdorf Goodman, Contempo Casuals, Neiman Marcus)	
Neiman-Marcus (22 spec stores: CA 5, DC 1, FL 2, GA 1, IL 3, MA 1, MO 1, NV 1, NY 1, TX 6)	850.0
A mail order center is to be opened in Dallas in 1988.	
Sanger-Harris--Merged with Foley's, Houston in Jan. 1987. Headquarters are in Houston. See Houston.	
Fort Worth	
Dillard Dept. Stores, Fort Worth Div. (Dillard Dept. Stores, Little Rock, AR) (40 dept. stores: KS 4, OK 15, TX 21)	not available
The Dunlap Co. (31 jr. dept. stores under various names in NM, TX, incl. Striplings & Co.'s 8 stores with a volume of $35.0)	125.0
Monnig's Dept. Stores Inc. (9 dept. stores in TX)	48.0
Pace, Newsom & Moates Inc. (37 jr. dept. stores in TX)	38.0
Southern Fashions (5 spec. stores)	10.0
Houston	
Abercrombie & Fitch (Oshman's, Houston, TX) (27 spec. stores)	48.0
Craig Stores of Texas (Craigs and Buelow Stores) (20 spec. stores)	40.0
Foley's (Federated Dept. Stores, Cincinnati, OH)	
Sanger Harris, Dallas, was merged into Foley's January 1987, with headquarter in Houston. 2 of 3 former Sanger Harris stores in Houston will be closed. (37 stores after the merger: TX 33, OK 2, AZ 1, NM 1)	1,107.0
It has been reported that 2 former Joske stores in Dallas would be sold by Dillard Dept. Stores to Foley's.	
A store was opened March 1987 in Corpus Christie.	
Leopold Price & Rolle (Hartmarx Corp., Chicago, IL) (14 spec. stores)	18.2
The Men's Wearhouse (35 spec. stores)	25.0
Norton-Ditto (2 spec. stores)	14.0
Palais Royal Inc. (27 spec stores)	130.0
(A Corpus Christie store was opened in 1987)	

DEPARTMENT/APPAREL SPECIALTY STORES

	APPROX. SALES (Millions of $)
SOUTH	
TEXAS	
Houston (continued)	
Sakowitz (4 stores in Houston) (The Hooker Corp. Ltd., Melbourne, Australia, will acquire Sakowitz pending approval by the Federal Bankruptcy Court)	$ 30.0
Walter Pyes Men's & Women's Shops (6 spec. stores)	20.0
Jacksonville	
Beall's (3 Beall's Brother's 3, Inc., Jacksonville) (150 specialty stores) (May be acquired by Citicorp Venture Capital Ltd.)	325.0
Laredo	
Hachar's Department Store (4 jr. dept. stores)	58.0
Joe Brand Inc. (6 spec. stores)	25.0
McAllen	
Jones & Jones (3 spec. stores)	18.0
San Antonio	
Dillard's Dept. Stores, San Antonio Div. (Dillard Dept. Stores, Little Rock, AR) (29 dept. stores in TX)	not available
Frost Brothers (Wyly Collection, New York, NY) (10 spec. stores in Texas) Sold to Wyly by Manhattan Industries, NY in 1986)	110.0
LaFeria Dept. Store (4 stores in San Antonio plus 2 Leeds spec. stores)	15.0
Sola Serve Corporation (16 spec. stores in AL, LA, TX) (Marshall Field opened a second store in San Antonio in 1986)	70.0
Waco	
R.E. Cox Co. (1 spec. store)	11.5
Leon's Fashions, Inc. (40 spec. stores and leased departments)	30.0
T-Shirts Plus (175 spec. stores)	15.0
WEST	
CALIFORNIA	
Anaheim	
The Clothestime (298 junior wear spec. stores in 16 states)	160.7
Bakersfield	
Brock's (The Malcom Brock Co.) (2 stores) Sold to Gottschalk's, Fresno, in 1987. A store will be opened in East Bakersfied in Oct. 1988.	20.0
Carson	
The Boston Stores, Inc. (15 spec. stores: AR 3, CA 12)	33.0
Castro Valley	
Daughtrey's Dept Stores (3 jr. dept. stores)	15.0
Fresno	
Gottschalk's Inc. (10 dept. stores in CA, incl. The Fair. Also operates Bobbie West and Petites West specialty stores) A Stockton, CA store was opened Nov. 1987; a Palmdale, CA store will be opened in 1989. Gottschalk's acquired Brock's dept. stores, Bakersfield, in 1987.	125.9

DEPARTMENT/APPAREL SPECIALTY STORES

WEST	APPROX. SALES (Millions of $)
CALIFORNIA	
Haywood	
Mervyn's (Dayton-Hudson Corp., Minneapolis, MN) (188 stores)	$ 2,862.3
Irvine	
The Wet Seal (Dylex Ltd., Toronto, Canada) (27 spec. stores)	18.0
Los Angeles/Long Beach Area (Southern California)	
Bonwit Teller (Bonwit Teller, New York, NY)	10.0
Wilshire Blvd. (closed Jan. 1987. Palm Desert store sold to Federated. Plans are underway to open a store on Rodeo Drive)	
The Broadway (Carter, Hawley Hale, Los Angeles) (43 CA dept. stores, a warehouse and clearance center)	1,045.0
Southern California total	565.1
Downtown Plaza	30.9
Anaheim	19.1
Bakersfield	19.1
Beverly Center	30.5
Brea Park	26.4
Carlsbad	17.4
Carson	16.0
Century City	27.0
Cerritos	28.0
Chula Vista	22.0
Crenshaw	14.4
Del Amo	43.4
Downey	23.2
Escondido (opened Feb. 1986)	19.7
Fashion Valley	32.0
Fox Hills	25.8
Glendale Galleria	48.0
Grossmont	22.0
Hawthorne	15.6
Horton Plaza	12.4
Huntington Beach	29.4
LaJolla	21.0
Laguna Hills	29.8
Long Beach	19.0
Newport Beach	24.4
Northridge	30.0
Orange	26.5
Panorama City	25.7
Pasadena	18.7
Puente Hills	21.7
Riverside	18.7
San Bernardino	19.6
Santa Anita	32.0
Santa Monica	29.6
Sherman Oaks	31.0
South Coast Plaza, Costa Mesa (new Flagship store opened Nov. 1986. Expect a volume of $35 million in 1st year)	12.4
Thousand Oaks	21.4
Topanga Plaza	28.3
Ventura	23.0
West Covina	23.1
Westchester	10.9
Whittier	16.0

(continued)

CALIFORNIA

Los Angeles/Long Beach Area (Southern California) (continued)

	APPROX. SALES (Millions of $)
Buffum's Inc., Long Beach (16 Jr. dept. stores and spec. stores. La Canada store opened in 1986; Solano Beach, Oct. 1987. Sale of Buffum's may be pending).	$ 115.0
Bullock's Southern California, including Bullock's Willshire (Federated Department Stores, Cincinnati, OH) (22 dept. stores: AR 1, CA 20, NV 1; 7 Bullock's Wilshire spec. stores in CA)	751.8
Bullock's department stores, Southern California	550.0
Beverly Center	37.0
Carlsbad	14.9
Century City	260.0
Citicorp Plaza (downtown L.A. stores opened Aug. 1987)	9.0
Del Amo	36.0
Grossmont	15.0
LaHabra	15.8
Lakewood	25.1
Manhattan Beach	19.7
Mission Valley	25.9
Mission Viego	18.5
Northridge	28.1
Palm Desert	20.5
Pasadena	45.0
Santa Ana	27.0
Sherman Oaks	55.5
South Coast Plaza, Costa Mesa	53.0
Thousand Oaks	17.0
West Covina	17.2
Westwood	44.0
Other Bullock's department stores:	
Las Vegas, NV	23.3
Scottsdale, AR	28.0
Bullock's Wilshire (6 spec. stores)	96.3
Wilshire Blvd.	37.0
LaJolla	10.0
Newport Beach	15.3
Palm Springs	8.0
Palos Verdes	11.0
Woodland Hills	15.0

Bullock's Wilshire catalog sales are estimated at $10 million in 1986. In March 1987, Bullock's launched a new specialty store division, Bullock's Woman--specializing in large sizes. The first of a planned 13-store chain was opened in Las Vegas; a second store was opened in September in Palm Desert. A Bullock's department store will be opened in the Denver, CO Galleria in 1990.

(continued)

DEPARTMENT/APPAREL SPECIALTY STORES

WEST	APPROX. SALES (Millions of $)
CALIFORNIA	
Los Angeles/Long Beach Area (Southern California) (continued)	
Carter Hawley Hale Stores Inc. (114 dept stores with volume estimated at $2.6 billion, 188 spec. stores)	$ 4,089.8
I. Magnin (I. Magnin, San Francisco, CA) 9 Southern California stores, excl. Santa Ana, which was closed Feb. 1987.	98.0
May Company California (May Dept. Stores Co., St. Louis, MO)	
Southern California (36 stores)	788.9
Arcadia	18.2
Bonita	18.1
Brea	23.9
Buena Park	19.5
Carlsbad	20.3
The City (Orange)	17.1
Citicorp Plaza (opened 3/86)	8.9
Crenshaw	12.6
Eagle Rock	27.0
Eastland	21.0
El Cajon	19.0
Escondido (North County Fair (opened 1986)	18.3
Fox Hills	20.1
Galleria at South Bay	43.0
LaJolla	13.4
Lakewood	31.2
Laurel Plaza	40.1
Mission Viego	24.7
Montclair	20.3
Montecello (opened 1986)	16.4
Oxnard	15.5
Palm Desert	22.4
Palos Verdes	12.3
Pasadena	6.5
Riverside	17.7
San Bernardino	15.6
San Diego	31.8
Sherman Oaks	17.4
South Coast Plaza, Costa Mesa	44.4
Thousand Oaks	23.3
Topanga Plaza, Canoga Park	31.7
West Los Angeles	33.2
Westminister	29.7
Whittier	11.0
Wilshire Blvd.	31.9

May Co. California closed three stores in 1986.

(continued)

WEST

CALIFORNIA

Los Angeles/Long Beach Area (Southern California) (continued)

	APPROX. SALES (Millions of $)
Mervyn's (Dayton, Hudson Corp., Minneapolis, MN) (44 stores in Southern CA)	$ 550.0
Neiman Marcus (Neiman Marcus, Dallas, TX) (3 CA stores)	98.0
Beverly Hills	60.0
Fashion Island, Newport Beach	23.0
Fashion Valley, San Diego	15.0
Nordstrom (Nordstrom Inc., Seattle, WA) (12 Southern CA spec. stores)	600.0
Fashion Valley, San Diego	58.0
South Coast Plaza, Costa Mesa	100.0
West Side Pavilion	63.0

Nordstrom opened stores in Montclair and in Escondido in 1986, and enlarged the Costa Mesa, CA store. In 1987, stores were opened in San Jose (Feb.) and in Santa Ana (Sept.) and there are plans to open in Santa Barbara and in Riverside, also 2 stores in Sacramento. The Palm Springs store was closed in March 1987.

Roberts Dept. Stores (11 spec. stores)	13.0
J.W. Robinson (May Dept. Stores, St. Louis) formerly owned by Associated Dry Goods) (24 dept. stores in CA)	586.0
Downtown Los Angeles	26.6
Anaheim	15.1
Beverly Hills	44.1
Cerritos	24.5
Del Amo	31.5
Glendale	22.4
Horton Plaza	11.0
Mission Viejo	16.2
Newport Beach	43.8
Palm Springs (closed Mar. 1987)	4.9
Panorama City (San Fernando Valley)	12.3
Pasadena	23.2
Puente Hills	23.9
San Diego (Fashion Valley)	25.6
Santa Anita	19.8
Santa Barbara	39.0
Santa Monica	31.0
Sherman Oaks	17.5
South Coast Plaza, Costa Mesa (opened Nov. 1986)	13.0
Thousand Oaks	22.4
University Towne Center	20.4
Westminster	23.7
Woodland Hills	36.4

DEPARTMENT/APPAREL SPECIALTY STORES

WEST	APPROX. SALES (Millions of $)
CALIFORNIA	
Los Angeles/Long Beach Area (Southern California) (continued)	
J.W. Robinson opened a store in the North County Fair, Escondido, CA in 1986; also a store in Costa Mesa--a replacement for the Palm Springs store. Costa Mesa is expected to reach a volume of $20 million in its 1st year. Palm Desert, Town Center store was opened Mar. 1987.	
Saks Fifth Avenue (Saks Fifth Avenue, New York, NY) (6 Southern CA stores)	$ 95.5
Beverly Hills	37.0
South Coast Plaza	18.5
Mission Valley	12.0
Woodland Hills	17.5
La Jolla and Palm Springs	10.0
Sacramento	
Weinstock's (Carter Hawley Hale, Los Angeles, CA) (12 dept. stores: CA 8, NV 1, UT 3)	236.0
San Bernadino	
Harris (Corte Ingles Elsa) (6 gen. mdse. stores in CA)	75.0
San Diego (See Los Angeles listings)	
San Francisco/Oakland/Palo Alto	
Aca Joes (111 licensed and company-owned stores)	23.0
Emporium Capwell (Carter Hawley Hale, Los Angeles, CA (22 dept. stores in CA)	710.0
Macy's California (R.H. Macy, New York, NY) (24 dept. stores in CA and one in Reno, NV)	1,340.6
I. Magnin San Francisco, CA (Federated Dept. Stores, Cincinnati, OH) (26 spec. stores: AR 1, CA 19, IL 3, MD 1, OR 1, WA 1)	317.1
(Santa Ana store was closed in Feb. 1987)	
Wilkes Bashford, San Francisco (1 spec. store)	14.0
San Jose	
Riley's Dept. Store, Inc. (4 jr. dept. stores in CA)	10.0
Santa Cruz	
Samuel Leask & Sons (4 jr. dept. stores)	10.0
Santa Monica	
H.C. Henshey Co. (2 jr. dept. stores)	10.0
Santa Rosa	
Rosenberg's (1 spec. store)	18.0

DEPARTMENT/APPAREL SPECIALTY STORES

WEST	APPROX. SALES (Millions of $)
CALIFORNIA	
Watsonville	
Charles Ford Co. (7 dept. stores)	$ 30.0
Whittier	
Hinshaw's Dept. Stores, Inc. (2 dept. stores)	20.0
COLORADO	
Denver	
May Department Stores Co., (St. Louis, MO) acquired the Denver--a 12 unit dept. store operation with sales in 1986 at $151 million. In 1987, May sold 2 stores to Penney--South Glenn and South Center, and 3 to Mervyn's--Colorado Springs, Ft. Collins, Pueblo, CO. 4 stores were converted to May D&F units--Cinderella City, North Glenn, Cherry Creek, and Aurora--the latter combined with an existing May store. Lakeside was closed, and the downtown The Denver is to be sold to a developer.	
May D&F (May Dept. Stores Co., St. Louis) had 11 dept. stores in 1986 with a volume estimated at $175.0. As noted above, some units which were formerly The Denver stores were added to May D&F operations, bringing their total to 14 stores.	
Combined total:	326.0
(2 Broadway Southwest stores in Denver--Villa Italia--and Cinderella City--were sold by Carter Hawley Hale to May Dept. Stores, and a Westminster Mall, Denver store sale to Montgomery Ward is pending.)	
Englewood	
Joslins (Mercantile Stores, New York, NY) (11 dept stores: CO 10, WY 1)	215.0
HAWAII	
Honolulu	
Liberty House (Amfact Retail Div., San Francisco, CA) (9 dept. stores plus 30 resort/specialty shops)	220.0
MONTANA	
Billings	
Hart Albin Co. (1 dept store plus spec. stores)	12.0
The Hennessy Co. (3 dept. stores plus deLendrecie's, Fargo, ND Duluth Glass Block Stores, Duluth, MN)	80.0
OREGON	
Portland	
Meier & Frank (May Dept. Stores Co., St. Louis, Mo) (8 dept. stores: Or 7, WA 1)	226.0

DEPARTMENT/APPAREL SPECIALTY STORES

	APPROX. SALES (Millions of $)
WEST	
UTAH	
Salt Lake City	
ZCMI Department Store (Zion's Cooperative Mercantile Assoc.) (10 dept. stores: ID 2, UT 8)	$ 177.2
WASHINGTON	
Redmond	
Eddie Bauer Inc. (939 stores plus catalog)	250.0
Seattle	
Bon Marche (formerly The Bon) (Allied/Campeau, New York, NY) (40 stores incl. 3 Home stores in ID, MT. OR, UT, WA	535.0
Downtown Seattle)	50.0
(6 Puget Sound area stores are to be renovated)	
Frederick & Nelson (Sold by BATUS to F&N Acquisition Corp. in Sept. 1986) (8 stores: OR 2, WA 5, plus a budget outlet)	220.0
(7 spec. stores operating as Lyman's will be opened by F&N in Seattle & Portland in 1987, 1st year volume expected to reach $30-$50 million)	
Tri-North Dept. Stores, Inc. (28 dept. stores under various names in OR and WA)	20.0
Nordstrom Inc. (65 stores in CA, WA, OR, MT, VT, HA, AL)	1,629.9
Spokane	
The Crescent (sold by BATUS to F&N Acquisition Corp., Seattle) (3 Spokane dept. stores)	55.0

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD APPLIANCES, ELECTRIC HOUSEWARES, HOME ENTERTAINMENT PRODUCTS: Covers a broad range of products included in these three classifications at the manufacturer and at the retail level. Provides a statistical profile of the U.S. industry in terms of number of manufacturers, production, shipments, exports. Imports are detailed, as well as information on export markets. Covers retail sales and merchandising results and information on appliance/radio/TV stores.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market. Departmental merchandising and operating results in department stores and in men's wear stores are covered.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing.

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade recently issued by the U.S. Census Bureau.

THE SPORTS/FITNESS/LEISURE MARKETS (A Fact File Special Edition): Covers details on U.S. manufacturers in the sporting goods/athletic goods industry, concentrating on products sold through retail outlets such as sporting goods stores and general merchandise stores, as well as functional athletic footwear and apparel. Includes quantity and value of shipments of specific products; concentration of shipments among leading manufacturers, and trends in producer prices. Imports of specified sporting and athletic goods are covered. At the consumer level, data includes statistics on sports participation levels and purchases of specific sports equipment. Also buying habits in relation to activewear and sports equipment.

SPORTSWEAR, CASUAL WEAR, SEPARATES AND JEANS (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of this segment of the women's wear industry is provided, including data on production and value of shipments, imports of major categories, sales by type of outlet, price points, seasonal patterns, and consumer buying habits.

A STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible.

TABLETOP & GIFTWARES: Statistics included for these industries include those on both the manufacturing and retailing levels. There's coverage of production and shipments; foreign trade; retail sales; plus data on the consumer market including buying habits and expenditures.

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed. Also included is information on plant and equipment expenditures and on mill machinery in place in U.S. mills.

TOILETRIES, COSMETICS, FRAGRANCES AND BEAUTY AIDS: A detailed view of the U.S. industry, leading manufacturers, sales of products for both men and women, trends in industry employment and earnings, advertising expenditures, foreign trade. Consumer expenditures by product are detailed, as well as retail sales by outlet type, and consumer buying patterns and usage in regard to specific products.

WOMEN'S COATS, SUITS, RAINWEAR, AND FURS: Data from the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women. Also covers sales estimates and operating results in department and specialty store.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices. Developments in the size of the consumer market and trends in the market are summarized.

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CONSUMER MARKET DEVELOPMENTS

TRENDS

Consumer spending accounts for some two-thirds of economic activity in the U.S. At the onset of 1988, economists and marketers were still nervously studying American consumers to try to assess the psychological and real impact of the October 1987 stock market crash on purchasing plans. The continuing volatility of the stock market was not reassuring. However, according to the president's task force on the October 19th crash, three quarters of Americans do not directly own any stock, and just 10% account for 90% of all stock holdings. Both major indexes of consumer attitudes -- The Conference Board's and the University of Michigan's -- posted gains after the close of the year.

A slowdown in growth of income, including wages and salaries, and in consumer spending had preceded the market crash. In 1987 real average earnings were 2% below their level in 1977. In the fourth quarter of 1987, disposable income, after adjustment for inflation and taxes, rose only 2% above the final 1986 quarter. This compares with a 3.6% gain the previous year, and it was the lowest rise since 1982.

Consumers were on a spending spree from 1983 up to 1987, with real spending rising about 4.5% a year. In 1987, real spending increased only 0.6% and showed progressive softness, particularly in goods. Savings rates have been very low in recent years, and consumers are faced with debts to be paid and savings to be rebuilt. The job outlook remains sluggish, although it may improve along with exports. Over the past 12 months, merchandise exports rose 19% while imports increased 5%.

Imports remain a major share of consumer goods, however, as well as machinery, parts, supplies, etc., used by domestic manufacturers. Imports' share of all goods sold last quarter of 1987 rose to 11.6%, according to the Commerce Department.

A change in the trade deficit, however, implies belt-tightening on the part of consumers. It means a substantial investment in plant and equipment which implies at least a temporary rise in savings and a reduction in consumer spending. The outlook is for an increase in exports but not a reduction in imports in the immediate future -- only a lowering of the rate of growth. With the lower value of the dollar, the price of imported goods rises -- and domestic manufacturers follow in the wake, raising their prices. This brings up the inflation rate, and the rise is not being matched by an equivalent increase in wages and salaries. This adds up to a drop in buying power.

An advance preliminary report on retail sales by outlet type, issued by the Census Bureau, showed a 3.6% rise for the year 1987 compared with 1986, in terms of current dollars. Higher prices accounted for some of the above-average gains noted in sales of eating/drinking places, drug stores, general merchandise and apparel stores, auto sales were weak.

Estimated Retail Sales: 1987 & Percent Change: 1987/1986
(Sales in millions of dollars)

Kind of Business	1987 Sales	% Change 1987/1986
Retail trade, total	$1,507,134	+ 3.6%
Durable goods, total	583,404	+ 2.7
Building materials, hardware, etc.	90,583	+ 2.8
Automotive dealers, supply stores, etc.	340,434	+ 1.4
Furniture, home furnishings & equip. stores	80,782	+ 2.9
Nondurable goods, total	923,730	+ 4.2
General merchandise group stores	164,788	+ 6.1
Department stores	140,548	+ 6.6
Food Stores	302,887	+ 2.3
Gasoline service stations	89,500	+ 3.3
Apparel & accessory stores	85,241	+ 5.5
Eating & drinking places	152,918	+ 5.5
Drug & proprietary stores	53,031	+ 7.5
Liquor stores	19,315	- 2.4
Nonstore retailers	27,378	+ 2.4
Mail order houses (dept. store merchandise)*	3,190	- 4.7

* Includes businesses selling merchandise through coin-operated vending machines, by house-to-house canvass and from mail order.

Source: U.S. Bureau of the Census: Monthly Retail Trade (BR-87-12)

The Reagan administration's budget is based on sustained economic expansion but at a significantly lower rate in 1988, with GNP growth (covering the value of the country's entire output of goods and services) placed at an inflation-adjusted rate of 2.4% from the 3.8% growth in 1987. The pace of economic activity is expected to pick up in the second half of the year. The inflation rate in the fourth quarter of 1988, as measured by the Consumer Price Index, is projected to 4.3% compared with 4.6% in the fourth quarter of 1987. The jobless rate is expected to hold at the fourth quarter - 5.8%. At the onset of the year, however, the expectations of many economists were less optimistic than the administration's projections.

POPULATION TRENDS

Total U.S. Population

The Census Bureau regularly reports three sets of population counts for the U.S.: (1) the total including Armed Forces Overseas; (2) the resident population of the nation; (3) the civilian population. At the beginning of each year, a special release is issued on the size of the resident population and growth patterns in the past year.

As of January 1, 1988, 244.4 million people were living in the U.S. This represented a gain of only 0.9% during the year 1987, marking the fifth consecutive year that annual growth has been less than 1%. The rate of growth was the slowest since the late 1930s. The annual rate of increase in the peak years of the baby boom (1947-1961) ranged from 1.6% to 1.9%.

Births are the dominant component of population growth, with an estimated 3,772,000 children born in the U.S. last year. That number has changed little in the past five years. Offsetting births were an estimated 2,127,000 deaths, a record. That number has been growing steadily as the U.S. population ages. The Census Bureau believes that 600,000 people immigrated to the U.S. last year, a number that has remained fairly constant for the past five years. Overall, an addition of 2.2 million people to the U.S. population total is anticipated for 1988.

Detailed reports on the population, including age, sex and race, as of mid-year, are issued annually by the Census Bureau, covering the population as of July 1.

Estimates of the Population By Type, as of July 1, 1980-1987
(In thousands)

	Total Population Including Armed Forces Overseas	Resident Population	Civilian Population
1987 (p)	243,773	243,249	241,519
1986 (r)	241,596	241,078	239,357
1985	239,283	238,741	237,036
1984 (r)	237,001	236,477	234,762
1983	234,799	234,284	232,589
1982	232,520	231,996	230,327
1981	230,138	229,637	227,989
1980	227,757	227,255	225,651

(p) preliminary
(r) revised

Source: U.S. Bureau of the Census, Current Population Reports, Population Estimates and Projections (Series P-25, No. 1014, issued November 1987)

POPULATION TRENDS

Resident Population Age Groups

Resident U.S. Population By Age, Sex & Race: 1980, 1986
(Numbers in thousands)

	Total				Black &	
July 1, 1986	Total	Male	Female	White	Other Races	Black
All ages	241,078	117,360	123,718	204,301	36,777	29,306
Under 5 years	18,128	9,274	8,854	14,675	3,453	2,721
5 to 9 years	17,291	8,851	8,440	13,976	3,315	2,673
10 to 14 years	16,564	8,487	8,077	13,341	3,223	2,591
15 to 19 years	18,610	9,483	9,128	15,206	3,404	2,785
20 to 24 years	20,417	10,232	10,185	16,946	3,471	2,813
25 to 29 years	22,010	11,026	10,984	18,498	3,512	2,795
30 to 34 years	20,774	10,367	10,407	17,549	3,225	2,491
35 to 39 years	18,723	9,256	9,467	16,060	2,663	2,036
40 to 44 years	14,346	7,030	7,316	12,409	1,936	1,463
45 to 49 years	11,927	5,817	6,110	10,274	1,653	1,282
50 to 54 years	10,887	5,260	5,627	9,429	1,458	1,157
55 to 59 years	11,268	5,359	5,909	9,901	1,367	1,108
60 to 64 years	10,962	5,097	5,865	9,740	1,222	998
65 years & over	29,173	11,823	17,350	26,297	2,875	2,395

	Total				Black &	
July 1, 1980	Total	Male	Female	White	Other Races	Black
All ages	227,255	110,427	116,828	195,208	32,047	26,784
Under 5 years	16,458	8,417	8,040	13,493	2,964	2,476
5 to 9 years	16,609	8,495	8,114	13,622	2,987	2,506
10 to 14 years	18,236	9,314	8,923	15,085	3,151	2,685
15 to 19 years	21,380	10,700	10,680	18,112	3,268	2,757
20 to 24 years	20,767	10,147	10,620	17,647	3,120	2,629
25 to 29 years	19,697	9,801	9,896	16,798	2,899	2,365
30 to 34 years	17,754	8,780	8,974	15,313	2,441	1,929
35 to 39 years	14,980	6,921	7,159	12,219	1,861	1,478
40 to 44 years	11,726	5,738	5,988	10,156	1,570	1,265
45 to 49 years	11,048	5,371	5,677	9,649	1,399	1,150
50 to 54 years	11,698	5,618	6,080	10,344	1,355	1,136
55 to 59 years	11,616	5,480	6,136	10,387	1,229	1,046
60 to 64 years	10,145	4,700	5,446	9,128	1,017	878
65 years & over	25,704	10,366	15,338	23,297	2,407	2,106
Median age: Years						
1986	31.8	30.6	33.0	32.7	27.2	26.9
1980	30.0	28.9	31.3	30.9	25.3	24.9

Source: U.S. Bureau of the Census, Current Population Reports: Estimates of the Population of the U.S., By Age, Sex, and Race: 1980-1986 (Series P-25, 1000)

POPULATION TRENDS

Age Structure: Total Population of the U.S.

The population wave generated in the baby boom era, which reached a total of over four million births a year from 1954 through 1964, has surged through the age scale, cresting now in the young adult market.

Most recent Census Bureau counts record 76.1 million persons (including Armed Forces Overseas) who are 25-44 years of age -- 31.5 % of the total as of July 1986, and 20 % more than the 63.5 million counted in the 1980 Census. The latest figure included 37.9 million males and 38.2 million females. Of the 76.1 million total, 64.7 were White, 11.4 were Black and other races. The 35-to-44 population total grew faster than any other age group (28%) between 1980 and 1986, increasing from 25.7 million to 33.1 million. But they are still outnumbered by the 25-to-34 age group, which increased 15.4%, from 37.3 million to 43 million, and represented almost 18% of the U.S. population in 1986.

There was a 15-year period of decline in births between 1960 and 1975, which is now reflected in lower counts for teenagers and young adults. However, an uptrend in the number of births started in 1986 due to the larger number of women in the childbearing ages rather than to an increase in fertility rates. The birth total has averaged 3.7 million annually for the past four years (compared with an average 3.15 million in 1973-1975) -- still far below the 4.33 million births reported for the year 1957 when births reached a record high, and no significant gain in birth totals can be expected.

The recent upturn in births has resulted in growth in the under 5 population, which increased 10.9% between 1980 and 1986 -- from 16.3 million to 18.1 million. There are now more preschool-aged children than there have been since July 1967, when there were 18.6 million.

The 5-to-13 year old population dropped 2.6% between 1980 and 1986, from 31.2 million to 30.3 million, but is now gaining and should continue to grow for the short-term future. The number of 14-to-17 year olds dropped by 8.9% between 1980 and 1986, from 16.2 million to 14.8 million, while the number of 18-to-24 year olds declined from 30.3 million to 28.0 million, or by 7.6%. Both of these age groups will continue to shrink in size in the near future, as noted in the section covering Population Projections.

The number aged 45 to 54 years held at about 22.8 million in both 1980 and 1986, but the older population is growing. Those in the 55-to-64 group grew by 2.4%, from 21.7 million to 22.2 million. The 65-and-over population has increased substantially, and will continue to grow in the foreseeable future. Those aged 65 to 74 increased 11.2%, reaching 17.3 million versus 15.6 million. The population 75 to 84 years of age reached 9.1 million in 1986 versus 7.7 million in 1980 for a gain of 17.1%. The latest count showed 2.8 million persons 85 years and over versus 2.2 million. The aging of the population is reflected in the median age, which was 31.8 in 1986 versus 30 years in 1980.

POPULATION TRENDS

Age Structure: Total Population of the U.S.

Total Population by Age Groups--July 1, 1980, 1986
(Including Armed Forces Overseas)

	Number (thousands) 1986	Percent Distribution 1986	Percent Distribution 1980(r)	Percent Change in Number 1986/1980
All ages	241,596	100.0%	100.0%	+ 6.4%
Under 5 years	18,128	7.5	7.2	+ 10.1
5 to 13 years	30,346	12.6	13.6	- 2.4
14 to 17 years	14,797	6.1	7.1	- 8.8
18 to 24 years	27,793	11.6	13.3	- 7.8
25 to 34 years	42,984	17.8	16.5	+ 14.2
35 to 44 years	33,143	13.7	11.4	+ 28.1
45 to 54 years	22,822	9.4	10.0	+ 0.3
55 to 64 years	22,230	9.2	9.5	+ 2.1
65 to 74 years	17,325	7.2	6.9	+ 10.7
75 to 84 years	9,051	3.7	3.4	+ 16.3
85 years & over	2,796	1.2	1.0	+ 23.2

(r) revised

Source: U.S. Bureau of the Census,
Current Population Reports (Series P-25, 985)

Population Projections By Age

Census Bureau projections on the size of the total population, including Armed Forces overseas, by single years of age, sex, and race, for the years 1983 through 2080, were last published in 1984. The report included three series of projections, each based on different assumptions as to future growth in fertility, mortality and net immigration. The "middle" of the three series has proved to be fairly close to reality thus far, and this series has been drawn upon in this report.

The rate of population growth in the 1980's (0.92% per year) has been less than in any decade since the 1930's (when it was 0.70% per year). Based on middle projections, growth averaging 0.78% annually is anticipated in the period 1990-1995, and will then continue to drop to reach an annual growth of 0.01% in the period 2050-2080.

The aging of the population, which as been underway as previously noted, is a major trend noted in the projections. In 1982, the median age of the population was reported at 30.6 years, which up to that time was the highest level ever reached. The Census Bureau does not anticipate a figure this low based on any assumptions regarding the future population. As of July 1988, the median age of the population is estimated at 32.3 years. By 1995, the middle series of projections places the median at 34.7 years; by year 2000, at 36.3 years, by 2020, at 39.3 years.

POPULATION TRENDS

Population Projections By Age

It is significant that the ratio of the working-age population (age 18 to 64) to the retirement age population is declining. In 1980, there were an estimated 5.2 persons of working age for everyone age 65 and older; currently there are 4.9, and this figure is expected to drop to 4.7 by the year 2000, then to 2.7 by 2030; to 2.4 by 2080. This holds important implications for the future profile of the labor force, for productivity and for incomes.

The pattern in growth in future years will be determined primarily by the pattern in births. The key through the early part of the next decade is the cohort represented by the baby boomers (born in the period 1946 through 1964 with a peak in 1957), who now range in age from 24 to 42. This group represents key opportunities for marketers as they represent young adults in household-formation years, and those who have advanced in affluence and needs, and are ready for second homes and all that goes with upgrading life styles.

The 15-year decline in births between 1960 and 1975 will be reflected in population declines in specific age groups in the future, as will the pick-up in birth totals in the past 11 years.

The following table summarizes population counts by age groups, based on the middle series of projections, for 1988, 1995, and 2005. Better nutrition and health care means people live longer. The elderly population age 85 and over is expected to increase by about a third by 1995, from 3.0 million to 4.1 million; by year 2005 it will gain another 40% to total 5.7 million.

Registering fastest growth among younger people is the group age 35 to 54 -- expected to increase 24% by 1995, and gain another 12% from 1995 to year 2005. They represent about 24% of the population currently. Their share is expected to rise to about 30% by year 2005.

POPULATION TRENDS

Population Projections

POPULATION PROJECTIONS - 1988, 1995, 2005
(Middle Series*)

	Number (Thousands)			% Change	Percent Distribution		
	1988	1995	2005	1995/1988	1988	1995	2005
MALE							
Total all ages	119,390	126,368	134,297	+ 5.8%	100.0%	100.0%	100.0%
Under 5 years	9,740	9,529	8,931	- 2.1	8.1	7.5	6.6
5 to 9 years	9,197	9,895	9,094	+ 7.6	7.7	7.8	6.8
10 to 15 years	9,940	11,465	11,698	+15.3	8.3	9.1	8.7
16 years & over	90,513	95,482	104,574	+ 5.5	75.8	75.6	77.9
16 - 19	7,474	6,804	8,058	- 9.0	6.3	5.4	6.0
20 - 34	31,625	29,166	27,416	- 7.8	26.5	23.1	20.4
35 - 54	29,134	36,206	40,769	+24.3	24.4	28.6	30.4
55 - 64	10,079	9,865	14,060	- 2.1	8.4	7.8	10.5
65 & over	12,201	13,441	14,271	+10.1	10.2	10.6	10.6
75 & over	4,516	5,360	6,390	+18.7	3.8	4.2	4.8
85 & over	851	1,122	1,560	+31.8	0.7	0.9	1.2
Median age (years)	31.1	33.4	36.0	--	--	--	--
FEMALE							
Total all ages	125,911	133,191	141,381	+ 5.7%	100.0%	100.0%	100.0%
Under 5 years	9,289	9,086	8,518	- 2.2	7.4	6.8	6.0
5 to 9 years	8,786	9,443	8,678	+ 7.5	7.0	7.1	6.1
10 to 15 years	9,500	10,954	11,167	+15.3	7.5	8.2	7.9
16 years & over	98,337	103,710	113,016	+ 5.5	78.1	77.9	80.0
16 - 19	7,161	6,517	7,708	- 9.0	5.7	4.9	5.5
20 - 34	31,141	28,497	26,706	- 8.5	24.7	21.4	18.9
35 - 54	30,236	37,190	41,249	+23.0	24.0	27.9	29.2
55 - 64	11,469	11,059	15,399	- 3.6	9.1	8.3	10.9
65 & over	18,330	20,447	21,954	+11.5	14.6	15.3	15.5
75 & over	8,388	10,026	12,088	+19.5	6.7	7.5	8.5
85 & over	2,197	2,952	4,143	+34.4	1.7	2.2	2.9
Median age (years)	33.6	35.9	39.2	--	--	--	--
TOTAL, MALE & FEMALE							
Total all ages	245,302	259,559	275,677	+ 5.8	100.0%	100.0%	100.0%
Under 5 years	19,029	18,615	17,449	- 2.2	7.7	7.2	6.3
5 to 9 years	17,983	19,338	17,772	+ 7.5	7.3	7.4	6.5
10 to 15 years	19,440	22,419	22,865	+15.3	7.9	8.6	8.3
16 years & over	188,850	199,192	217,591	+ 5.5	77.0	76.7	78.9
16 - 19	14,635	13,321	15,765	- 9.0	6.0	5.1	5.7
20 - 34	62,766	57,663	54,122	- 8.1	25.6	22.2	19.6
35 - 54	59,370	73,396	82,018	+23.6	24.2	28.3	29.7
55 - 64	21,548	20,924	29,459	- 2.9	8.8	8.1	10.7
65 & over	30,531	33,888	36,227	+11.0	12.4	13.0	13.1
75 & over	12,902	15,385	18,479	+19.2	5.3	5.9	6.7
85 & over	3,047	4,074	5,704	+33.7	1.2	1.6	2.1
Median age (years)	32.3	34.7	37.6	--	--	--	--

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census, Current Population Reports (Series P-25, No. 952) (May 1984)

POPULATION TRENDS

Population Projections (continued)

U.S. Population by Single Years of Age
Infants, Children, Youths & Key Age Groups
Middle Series Projections* - 1988, 1995
(Numbers in thousands)

	Total		Male		Female	
	1988	1995	1988	1995	1988	1995
Total, all ages	245,302	259,559	119,390	126,368	125,911	133,191
Under 5 years	19,029	18,615	9,740	9,529	9,289	9,086
Under 1 year	3,847	3,623	1,970	1,855	1,877	1,768
1 year	3,834	3,673	1,963	1,880	1,871	1,793
2 years	3,814	3,725	1,952	1,907	1,862	1,818
3 years	3,785	3,775	1,937	1,932	1,848	1,843
4 years	3,749	3,819	1,918	1,955	1,830	1,865
5 to 9 years	17,984	19,337	9,197	9,895	8,786	9,443
5 years	3,704	3,853	1,896	1,972	1,809	1,881
6 years	3,669	3,874	1,876	1,982	1,792	1,892
7 years	3,622	3,880	1,853	1,985	1,769	1,895
8 years	3,595	3,874	1,837	1,982	1,758	1,892
9 years	3,394	3,856	1,736	1,973	1,658	1,883
10 to 14 years	16,143	18,772	8,255	9,602	7,887	9,170
10 years	3,265	3,830	1,669	1,960	1,596	1,871
11 years	3,283	3,796	1,679	1,942	1,604	1,854
12 years	3,180	3,753	1,626	1,920	1,554	1,833
13 years	3,242	3,719	1,659	1,902	1,583	1,818
14 years	3,173	3,674	1,623	1,879	1,551	1,795
15 to 19 years	17,934	16,968	9,160	8,668	8,774	8,300
15 years	3,299	3,647	1,685	1,863	1,613	1,784
16 year	3,419	3,445	1,747	1,761	1,672	1,684
17 years	3,771	3,316	1,928	1,694	1,843	1,622
18 years	3,772	3,332	1,927	1,702	1,845	1,630
19 years	3,673	3,228	1,872	1,647	1,801	1,581
Key Age Groups						
20 to 24 years	19,338	17,142	9,826	8,723	9,511	8,420
25 to 29 years	22,088	18,822	11,140	9,516	10,948	9,306
30 to 34 years	21,341	21,698	10,659	10,927	10,682	10,771
35 to 39 years	19,124	22,052	9,481	11,007	9,643	11,046
40 to 44 years	16,242	19,945	7,998	9,872	8,245	10,073
45 to 54 years	24,004	31,397	11,655	15,327	12,348	16,071

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. Includes Armed Forces overseas.

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census, Current Population Reports, (Series P-25, No. 952) (May 1984)

POPULATION TRENDS

Sex Ratios

As of mid-1986, the resident U.S. population included 117.4 million males of all ages, 123.7 million females. Up until about age 30, males outnumber females. In 1986, there were 59,874,000 males compared with 57,902,000 females under 31 years of age. Females, however, have a longer life span, on average, and they outnumber males to an increasing extent with advancing age. Among the population age 65 and over, females were almost 60% of the total in 1986. There were about 68 males for every 100 females in this age category. In the total population, there were 95 males for every 100 females.

Males under 18 are in the majority in all states. By ages 18 to 24 women predominate in about half the states. In only five states do males outnumber females in the overall population; Alaska, Hawaii, Nevada, North Dakota and Wyoming.

Race/Color

The non-White population is growing faster than the total population. Between April 1, 1980 and July 1, 1986, Blacks grew by 9.8%, reaching a total of 29.4 million (including Armed Forces overseas). Other races -- a category consisting principally of American Indians, Alaskan natives, Asians and Pacific Islanders -- are increasing at a faster rate (up 45% in 1986 compared with 1980) than either Whites (4.9%) or Blacks (9.8%) While Black growth has been overwhelmingly due to an excess of births over deaths, other-races growth has resulted from relatively high net civilian immigration. However, the total count on "other races" was only 7.5 million in 1986 -- up from 5.3 million in 1980.

Due to a high level of births, the Black population is considerably younger than the White Population, with a median age of 26.9 years in 1986, compared with 32.7 for Whites. Both median ages have been rising and this will continue. By 1990, the median age for Blacks is projected to 27.7 years (versus 33.9 for Whites).

Hispanic Population

In August 1987 the Census Bureau issued an Advance Report in a new series on the Hispanic population of the U.S., using revised estimating procedures which include an allowance for undocumented immigration and for emigration of legal residents.

The civilian, noninstitutional Hispanic population, which includes both the Black and the White races, reached a total of 18.8 million in March 1987, representing a gain of 700,000 (16%) over the March total. The number was 30% higher than in 1980, compared with a gain of 6% in the non-Hispanic population in the same time span. These figures do not include members of the U.S. Armed Forces living outside of the country. Hispanics represented 7.9% of the U.S. population in 1987, up from 6.4% in 1986. Illegals were reported to account for 23% of the increase in the Hispanic population since 1980.

Among Hispanic groups, the highest rate of growth between 1982 and 1987 was noted in the population originating in Central and South America, followed in order by Mexicans, Puerto Ricans and Cubans. Hispanics are ethnically and economically diverse, and the composition of the market is rapidly changing.

Hispanic Population (continued)

Profile of the Hispanic Noninstitutional Population: March 1987 By Origin

	Number (millions)	% of Total With Hispanic Origins	% of U.S. Total	% Increase 1987/1982
Total	18.8	100.0%	7.9%	+22%
Mexican	11.8	62.6	5.0	22
Puerto Rican	2.3	12.2	1.0	11
Central & South American	2.1	11.4	0.9	7
Cuban	1.0	5.4	0.5	40
Other Hispanic *	1.6	8.5	0.7	33

* Includes persons from Spain or those identifying themselves in general terms, such as Hispanic, Spanish, Spanish American, Latino, etc.

Source: U.S. Bureau of the Census, Current Population Reports: The Hispanic Population of the U.S.: March 1986 and 1987 (Advance Report)

Projections on the Hispanic population were compiled by the Census Bureau in 1986. According to the "middle" of three projections based on different assumptions regarding the course of Hispanic fertility, immigration and death rates, the population may reach 19.9 million by 1990, and climb to 25.2 million by the end of this century.

The Hispanic population is generally younger than the White population, but it is aging. From a median age of 24.1 years in 1982, the middles series of projections anticipate a median of 28 years by year 2000, rising to a median age of 31.2 years by 2020, 36.2 by 2050.

Because persons of Mexican origin account for 6 out of 10 of the Hispanic population, there is a concentration of Hispanics in California. According to Sales & Marketing Management (February 1988), as of 1986 there were 2.6 million Hispanics in the Los Angeles area, 1.7 million in the New York area, 744.5 thousand in Miami. The fastest growing Hispanic metropolitan areas from 1981 to 1986 were Riverside-San Bernardino (+35.5%) and San Diego (+26%). The 1988 New York Hispanic Market Study, prepared by Strategy Research Corp., Miami, estimated the Hispanic population in the New York area of dominant influence at 2.5 million in 1988, up 23.6% since 1980 and 2.2% from 1987. Puerto Ricans represent 45.1% of New York's Hispanics, down from 46.8% in 1985. The second largest group is from the Dominican Republic (27.8% of the total). The fastest growth is being registered by Hispanics from Central and South America.

Asians & Other

Asians and Pacific Islanders in the population are increasing even faster than Hispanics. The latest counts on this minority group, from the 1980 Census, totaled about 3.7 million, 142% above the 1970 total. By 1990 people classified as Chinese, Asian, Indian, Japanese, Korean, Filipino, Hawaiian, Pakistanis, etc., are expected to increase to about 5.9 million; by the year 2000, to over 8.0 million.

The Chinese represent the biggest single group of Asian Americans, but they will probably be outnumbered by Filipino Americans by 1990. More than a million Filipinos and Chinese will live in the U.S. by the end of the decade.

POPULATION TRENDS

Regions, Divisions, States

While the resident population of the U.S. was up 7.4% in 1987 compared with 1980 Census counts, there was great variation in geographic trends in population movement. Trends noted in the first half of the 1980's have continued in the second half. The preponderance of growth has been in the South and West. Of the net gain of 16.7 million in the resident population from 1980 to 1987, 15.0 million (90%) was absorbed by the South and the West -- the South accounting for 8.5 million (51% of the total gain), the West, 6.4 million (39%). Declines in energy-related industries, however, have slowed growth in the South and West.

Population Growth By Regions & Divisions of the U.S.
1980, 1986, 1987
(Numbers in thousands)

	Estimated Resident Population			
	July 1		April 1, 1980	% Change
	1986	1987	(Census)	1987/1980
United States	243,249	241,096	226,546	+ 7.4%
Northeast	50,278	50,056	49,135	+ 2.3
New England	12,844	12,742	12,348	+ 4.0
Middle Atlantic	37,433	37,313	36,787	+ 1.8
Midwest	59,538	59,292	58,866	+ 1.1
East North Central	41,904	41,722	41,682	+ 0.5
West North Central	17,634	17,569	17,183	+ 2.6
South	83,884	83,003	75,372	+ 11.3
South Atlantic	41,684	40,938	36,959	+ 12.8
East South Central	15,290	15,200	14,666	+ 4.3
West South Central	26,910	26,864	23,743	+ 13.3
West	49,700	48,745	43,172	+ 15.1
Mountain	13,167	12,982	11,373	+ 15.8
Pacific	36,533	35,763	31,800	+ 14.9

Source: U.S. Bureau of the Census: release on P-25 report on Population by States (Dec. 30, 1987)

In the past decade, California added 4.0 million people (for a gain of 17%). The second largest gain was in Texas, at 2.6 million (up 18%), followed by Florida's 2.3 million population increase (+23%). Population growth continued in all of the industrial midwestern states from 1986 to 1987 as their economies continued to recover from the early 1980's. Recurring problems in the farm economy, however, contributed toward another year of losses in Iowa, Nebraska, North Dakota, Montana and Idaho.

Population losses continued in the energy-depressed states of West Virginia, Oklahoma, and Wyoming. Louisiana showed a decline from the previous year's population count for the first time in 1987. Texas grew more slowly than earlier in the decade.

POPULATION TRENDS

Regions, Divisions, States (continued)

All the northeastern states grew from 1986 to 1987, with New Hampshire moving among the nation's 10 fastest growing states. The region's population has increased by 1.1 million (2.3%) since 1980 after losing in the 1970's. Some observers look for a decline in the population of New York due to the impact of the October 1987 market crash, and its long range effect on employment and economic activity in the area.

Resident Population of States, 1980, 1986, 1987
(Numbers in thousands)

	July 1		April 1, 1980	% Change
	1987(p)	1986(r)	(Census)	1987/1980
U.S. Total	243,400	241,096	226,546	+ 7.4%
New England:	12,844	12,742	12,348	+ 4.0
Maine	1,187	1,172	1,125	+ 5.5
New Hampshire	1,057	1,027	921	+ 14.8
Vermont	548	541	511	+ 7.2
Massachusetts	5,855	5,834	5,737	+ 2.1
Rhode Island	986	975	947	+ 4.1
Connecticut	3,211	3,193	3,108	+ 3.3
Middle Atlantic:	37,443	37,313	36,787	+ 1.8
New York	17,825	17,795	17,558	+ 1.5
New Jersey	7,672	7,625	7,365	+ 4.2
Pennsylvania	11,936	11,894	11,865	+ 0.6
East North Central:	41,904	41,722	41,682	+ 0.5
Ohio	10,784	10,748	10,798	- 0.1
Indiana	5,531	5,503	5,490	+ 0.7
Illinois	11,852	11,551	11,427	+ 1.4
Michigan	9,200	9,139	9,262	- 0.7
Wisconsin	4,807	4,783	4,706	+ 2.1
West North Central:	17,634	17,569	17,183	+ 2.6
Minnesota	4,246	4,213	4,076	+ 4.2
Iowa	2,834	2,850	2,914	- 2.7
Missouri	5,103	5,064	4,917	+ 3.8
North Dakota	672	679	653	+ 2.9
South Dakota	709	708	691	+ 2.7
Nebraska	1,594	1,598	1,570	+ 1.6
Kansas	2,476	2,459	2,364	+ 4.7
South Atlantic	41,684	40,938	36,959	+ 12.8
Delaware	644	633	594	+ 8.3
Maryland	4,535	4,461	4,217	+ 7.5
District of Columbia	622	625	638	- 2.6
Virginia	5,904	5,795	5,347	+ 10.4
West Virginia	1,897	1,917	1,950	- 2.7
North Carolina	6,413	6,331	5,882	+ 9.0
South Carolina	3,425	3,381	3,122	+ 9.7
Georgia	6,222	6,100	5,463	+ 13.9
Florida	12,023	11,694	9,746	+ 23.4

POPULATION TRENDS

Regions, Divisions, States (continued)

Resident Population of States, 1980, 1986, 1987
(Numbers in thousands)
(continued)

	July 1		April 1, 1980	% Change
	1987 (p)	1986 (r)	(Census)	1987/1980
East South Central	15,290	15,200	14,666	+ 4.3%
Kentucky	3,727	3,726	3,661	+ 1.8
Tennessee	4,855	4,800	4,591	+ 5.7
Alabama	4,083	4,050	3,894	+ 4.9
Mississippi	2,625	2,624	2,521	+ 4.1
West South Central	26,910	26,864	23,747	+ 13.3
Arkansas	2,388	2,371	2,286	+ 4.5
Louisiana	4,461	4,499	4,206	+ 6.1
Oklahoma	3,272	3,306	3,025	+ 8.2
Texas	16,789	16,689	14,229	+ 18.0
Mountain:	13,167	12,982	11,373	+ 15.8
Montana	809	817	787	+ 2.9
Idaho	998	1,002	944	+ 5.8
Wyoming	490	507	470	+ 4.4
Colorado	3,296	3,266	2,890	+ 14.1
New Mexico	1,500	1,479	1,303	+ 15.1
Arizona	3,386	3,279	2,718	+ 24.6
Utah	1,680	1,664	1,461	+ 15.0
Nevada	1,007	967	800	+ 25.8
Pacific:	36,533	35,763	31,800	+ 14.9
Washington	4,538	4,463	4,132	+ 9.8
Oregon	2,724	2,702	2,633	+ 3.4
California	27,663	27,001	23,668	+ 16.9
Alaska	525	532	402	+ 30.7
Hawaii	1,083	1,065	965	+ 12.2

(p) preliminary
(r) revised

Source: U.S. Bureau of the Census: Advance release, (December 30, 1987)

Regional differences are noted in the age distribution of the resident population. The Northeast has the lowest percentage that are under 15 years of age -- 19.5% vs. 22.7% in the West. On the other hand, the Northeast has the highest percentage of population age 65 and over. This group represents 13.5% of the Northeast's total population; in the West, it accounts for only 10.7%, and 12.0% of the South's total, despite the migration of older people to the Sunbelt. However, of single states Florida has the oldest population (median age: 36.0), and 18% of the State's total are now over 65. The South accounts for almost 34% of all U.S. residents age 65 and older.

Regions, Divisions, States (continued)

Resident Population of Regions By Age: July 1986

	U.S. Total	Northeast	Midwest	South	West
Number (thousands)(r)	241,096	50,056	59,292	83,003	48,745
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
Age group:					
Under 5 years	7.6	6.7	7.4	7.7	8.4
5 to 14 years	14.1	12.8	14.4	14.5	14.3
15 to 24 years	16.2	16.2	16.3	16.5	15.7
25 to 34 years	17.8	16.9	17.6	17.6	19.2
35 to 44 years	13.8	13.9	13.3	13.6	14.5
45 to 54 years	9.5	10.0	9.4	9.5	9.1
55 to 64 years	9.3	10.4	9.3	9.0	8.4
65 to 74 years	7.2	8.0	7.3	7.2	6.5
75 & over	5.0	5.5	5.3	4.8	4.2

Source: U.S. Bureau of the Census, Current Population Reports: State Population & Household Estimates to 1986 (Series P-25, No. 1010 and 1986 revised regional totals) (December 30, 1987)

The following table shows the percent of the Nation's total population covering each age group accounted for by the four regions.

Distribution of Resident Population in Reported Age Groups By Regions of the U.S.: July 1, 1986

	Under 5 Years	5 to 17 Years	18 to 24 Years	25 to 44 Years	45 to 64 Years	65 & Older	Median Age
U.S. Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	31.7%
Regions							
Northeast	18.5	19.3	20.7	20.2	22.6	23.0	33.5
Midwest	24.2	25.2	24.6	24.1	24.5	25.3	31.6
South	34.8	35.3	35.0	34.1	34.0	33.9	31.4
West	22.4	20.2	19.7	21.6	18.9	17.8	31.0
Total number (thousands)	18,128	45,143	27,739	75,852	45,044	29,173	

Source: U.S. Bureau of the Census, Current Population Reports (Series P-25, No. 1010)

POPULATION TRENDS

Regions, Divisions, States (continued)

The age group which is now dominant -- 25 to 44 years -- is concentrated to a large degree in the South, which had 34.1% of the total in 1986. The South Atlantic Region had about half the South's population of this age, and accounted for about 16.8% of the nation's total. The Midwest's East North Central Region, however, had the biggest regional count in this age group -- 12.9 million, or 17.0% of the total.

On a State basis, California showed the greatest concentration of the 25-to-44 age group, with over 9.1 million (12% of the U.S. total) in 1986. New York followed in second place, with 5.432 million (7.2%), closely followed by Texas, with 5.422 million (7.1%).

Metropolitan Areas

In July 1987 the Census Bureau issued an advance release on population in the nation's metropolitan areas as defined by the Office of Management and Budget as of June 30, 1987. The nation's metro area have a total population of nearly 185 million or about 77% of the country's 241 million people. About 38% are concentrated in the 10 largest metro areas.

The Top 10 Consolidated Metropolitan Statistical Areas: July 1, 1986
(Population counts in thousands)

Consolidated Metropolitan Statistical Area	July 1, 1986	April 1, 1980	% Change 1986/1980
NY - Northern NJ - Long Island, NY - NJ - CT	17,967.8	17,539.5	+ 2.4%
Los Angeles-Anaheim-Riverside, CA	13,074.8	11,497.5	+ 13.7
Chicago-Gary-Lake County, IL - IN - WI	8,116.1	7,937.3	+ 2.3
San Francisco-Oakland-San Jose, CA	5,877.8	5,367.9	+ 9.5
Philadelphia-Wilmington-Trenton, PA - NJ - DE - MD	5,832.6	5,680.5	+ 2.7
Detroit-Ann Arbor, MI	4,600.7	4,752.8	- 3.2
Boston-Lawrence-Salem, MA - NH	4,055.7	3,971.8	+ 2.1
Dallas-Fort Worth, TX	3,655.3	2,930.6	+ 24.7
Houston-Galveston-Brazoria, TX	3,634.3	3,099.9	+ 17.2
Washington, D.C. --MD - VA	3,563.0	3,250.9	+ 9.6

Source: Bureau of the Census release, July 24, 1987
(CB87-116)

Metropolitan Areas (continued)

Dallas-Fort Worth's 25% growth was topped among metro areas by Phoenix's 26% gain . Phoenix experienced a growth of more than one million in population. Other fast growing areas of this size group were Atlanta (20%), San Antonio (19%), Tampa-St. Petersburg (19%), San Diego (18%), Sacramento (17%), and Houston (17%). The nation grew by 6.4% in 1986 over 1980.

Smaller areas are growing faster, however. Among the 281 metro areas, regardless of size, population increases of upwards of 30% between 1980 and 1986 were noted for the following:

Naples, FL	(121,400)	+ 41%
Ocala, FL	(171,000)	+ 40
Ft. Myers-Cape Coral, FL	(279,100)	+ 36
Ft. Pierce, FL	(205,600)	+ 36
Austin, TX	(726,400)	+ 35
Anchorage, AK	(235,000)	+ 35
Midland, TX	(111,300)	+ 35
Melbourne,-Titusville, FL	(361,200)	+ 32
West Palm Beach, FL	(775,600)	+ 31

Metro areas that will have the most people in the years ahead, based on projections from the National Planning Association, Washington, D.C., are listed below. Population figures are in millions for cities and surrounding counties:

	1990	2010		1990	2010
Los Angeles-Long Beach	8.4	9.4	Atlanta	2.7	3.4
New York	8.4	9.0	Nassau-Suffolk, NY	2.7	3.0
Chicago	6.2	6.6	San Diego	2.4	2.9
Philadelphia	5.1	5.6	Anaheim-Santa Ana	2.4	2.9
Dallas-Ft. Worth	3.8	4.7	Riverside-San Bernardino	2.2	2.8
Detroit	4.3	4.6	Minneapolis-St. Paul	2.4	2.8
Wash., D.C.-MD-VA	3.7	4.5	Phoenix	2.1	2.7
Houston	3.4	4.3	Baltimore	2.4	2.7
Boston	3.8	4.3	St. Louis	2.4	2.6
San Francisco-Oakland	3.6	4.2	Tampa-St. Petersburg	2.0	2.5
Miami-Ft. Lauderdale	3.1	3.9	Pittsburgh	2.1	2.3

Migration/Mobility Patterns

The movement of consumers involving a change of residence and to some extent affecting the economic/demographic patterns of the country on a regional basis is a significant measurement for marketers. The concentration of the population in the young adult group is reflected in the record level of population mobility at the present time. Rates of geographical mobility are the highest for persons in their twenties and in a report issued by the Census Bureau in December 1987, a record number of Americans changed residences in the March 1984 through March 1985 period.

POPULATION TRENDS

Migration/Mobility Patterns (continued)

The 46.5 million persons -- counting those age 1 year and older -- who changed residences in this period compared with 39 million in the previous 12 months. This was the largest increase in a single year noted since the 1950's.

Two-thirds of all movers, some 30 million, moved within the same county. The remainder was evenly divided between those moving between counties in the same state and those moving between states and from abroad.

Reversing what may have been a short-term aberration reported for the period ending 1984, the West resumed the long term trend in registering a gain in population. The region registered the biggest net gain (surplus of immigrants over outmigrants) of any region, with a total of 260,000 in the 1984-1985 period compared with a net loss of 53,000 reported for the previous 12 months. The South had a net gain of 160,000 (down from the 426,000 net gain in the previous period). Both the Northeast and the Midwest were losers -- off 209,000 and 211,000, respectively, in the 1984-1985 period.

The West had the largest percentage of its population who moved to a different residence during the year -- almost one out of four age 1 and older moved in the 12 months ending March 1985, followed by the South (about 22 percent). The South, with the largest population base, accounted for 37 percent of the U.S. total count of movers.

Life course events contribute to the high geographical mobility of persons in their twenties, and to their changing needs as consumers. Such events as leaving school, entering the labor force, early career mobility, military service, establishing separate households and getting married are factors particularly at the younger end of the scale. With increases in family size and greater affluence young adults represent the group most likely to change residences to meet changing housing needs. In the 1984-1985 period, 17.3 million persons age 20 to 31 years changed residence, representing 35% of the population in this age group. Of those age 32 to 49 years, 8.3 million moved to a different residence (16.6% of the population of this age). Of all persons age 1 year and older, 19.5% moved to a different house in the 12 months ending March 1985.

Selected Characteristics of Persons 1 Year & Older
Who Moved in the March 1984-1985 Period
(Numbers in thousands)

	Total Population		Movers	
	Number	Percent	Number	Percent
All persons	230,333	100.0%	46,470	100.0
Age				
Under 10 years	30,791	13.4	7,986	17.2
10 to 19 years	35,551	15.4	6,675	14.4
20 to 29 years	41,572	18.0	15,544	33.4
30 to 44 years	51,051	22.2	10,482	22.5
45 to 64 years	44,549	19.3	4,139	8.9
65 years & over	26,818	11.6	1,640	3.5

Migration/Mobility Patterns (continued)

Selected Characteristics of Persons 1 Year & Older Who Moved in the March 1984-1985 Period
(Numbers in thousands)
(continued)

	Total Population		Movers	
	Number	Percent	Number	Percent
Sex:				
Male	111,598	48.5%	23,485	50.5%
Female	118,735	51.5	23,434	50.4
Region of Residence				
Northeast	48,713	21.1	7,034	15.1
Midwest	57,888	25.1	11,061	23.8
South	77,962	33.8	17,011	36.6
West	45,769	19.9	11,365	24.5

Source: U.S. Bureau of the Census, Current Population Reports
Geographical Mobility: 1985 (Series P-20, No. 420)
(December 1987)

Mobility Status of the Population Age One Year & Older By Regions, March 1984-March 1985

	U.S. Total	Northeast	Midwest	South	West
All persons (thousands)	230,333	48,713	57,888	77,962	45,769
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Nonmovers	79.8	85.6	80.9	78.2	75.2
Movers, total	20.2	14.4	19.1	21.8	24.8
Local movement (within county)	13.1	9.5	13.0	13.8	15.7
Nonlocal:	6.5	4.4	5.8	7.4	8.0
Different county, same state	3.5	2.4	3.3	3.9	4.1
Different state	3.0	2.0	2.5	3.5	3.9
From abroad	0.6	0.5	0.3	0.7	1.1

Source: U.S. Bureau of the Census, Current Population Reports:
Geographical Mobility: 1985
(Series P-20, No. 420)

MARITAL STATUS/MARRIAGES

Delayed marriages, the increase in divorces and separations (not to mention the high cost and unavailability of housing) have resulted in a change in living arrangements of young adults. Persons 18 to 34 are much more likely to be living at home with their parents than in the 1960's and 1970's. Most of these changes have occurred in the 1980's.

The proportion of men and women 18 to 24 years old who maintained their own homes as householders or spouses of householders (heads) dropped from 34% to 27% for men and from 53% to 40% for women between 1960 and 1986, according to the Census Bureau. (Current Population Reports, Series P-20 No. 418). Corresponding increases occurred in the proportion of persons 18 to 24 years old who had never left or who had returned to the homes of their parents. (Recent data issued by the Bureau shows a marked slackening in the number of people living alone.)

The proportion of 18 to 24 year old men living with parents rose from 52% to 59% between 1960 and 1986, and for women of this age, from 35% to 47%.

Young adults 25 to 34 have shown similar patterns of change in living arrangements, particularly for men. The proportion who were householders or the spouses of householders declined from 82% in 1960 to 75% in 1986 for men, but changed only slightly for women, 88% and 85%, respectively. While the proportion of men living at home with their parents increased from 11% to 14% between 1960 and 1986, the proportion of women held at 7% in both years. Of course, the great growth in population counts in these age groups, previously noted, is an added dimension to this development.

Marriages

The marriage rate in the U.S. (the number per 1,000 population) has been falling in line with the figures noted above on the trend in the number of young adults -- the predominate group in the population -- who have never married. In the first nine months of 1987, marriages were up slightly (0.8%), but the marriage rate was the same in this period in 1987 and 1986 (10.1).

Provisional statistics issued by the National Center for Health Statistics showed a slight decline in the number of couples married in 1986 (-1.0%). The national marriage rate fell 2% from 10.2 per 1,000 population in 1985 to 10.0 per 1,000 in 1986, the second consecutive drop after a period of fairly steady rates from 1980-1984. The marriage rate, recorded since 1867, has ranged from a high of 16.4 in 1946 to a low of 7.9 in the depression year of 1932. Along with population projections, the number of marriages can be expected to decline as the number of young adults diminishes.

Marriages and Marriage Rates: Selected Years, 1970-1986

	Number	Rate
1986	2,400,000	10.0
1985	2,425,000	10.2
1980	2,390,252	10.6
1977	2,178,367	9.6
1975	2,152,662	10.0
1973	2,284,108	10.8
1970	2,158,802	10.6

Source: U.S. Dept. of Health & Human Services,
National Center for Health Statistics

Marriages (continued)

The latest available count on marriage orders, covering 1983, showed a decline in the percent of marriages that were the first for both bride and groom -- from almost 69% of all marriages in 1970 to 54.4% in 1983. A remarriage for the bride was involved in 34% of the 1983 marriages vs. 24% in 1970; for the groom, 35% vs. 24%, respectively. This pattern of course affects buying practices relating to the bridal market, as well as wedding arrangements. However, there has been a trend to greater formality in weddings in recent years, particularly for first marriages, and increasingly for re-marriages due to the youthfulness of these brides and grooms.

The marital status of the adult population has undergone great changes over the last few decades, reflecting changes in the age distribution and changes in the degree to which marriage has been postponed, as well as in the number of divorces and separations.

Preliminary figures for 1987 issued by the Census Bureau show 30% of the males age 15 and over and 23% of the females of this age have never married. Comparable percents in 1970 were 28.1% and 22.1%, respectively. The biggest change has been in the age groups now constituting a record number in the U.S. population -- young adults. The percentage of 25-to-29 year olds that have not married has increased sharply since 1970--from 19% to 42% for men, and from 11 to 29% for women.

Never-Married in Selected Age Groups: 1970, 1980, 1987
(Population in thousands)

	1987		1980		1970*	
	Population	% Never Married	Population	% Never Married	Population	% Never Married
Males						
Age 15 & over	89,368	30.0%	81,947	29.6%	70,559	28.1%
Age (years)						
15 to 19	9,192	98.6	10,425	97.3	11,497	97.4
20 to 24	9,449	77.7	10,134	68.8	7,198	54.7
25 to 29	10,694	42.2	9,513	33.1	6,592	19.1
30 to 34	10,448	23.1	8,538	15.9	5,599	9.4
35 to 39	9,163	12.4	6,792	7.8	5,439	7.2
Females,						
Age 15 & over	97,320	23.0	89,914	22.5	77,766	22.1
Age (years)						
15 to 19	8,993	94.6	10,337	91.2	11,432	90.3
20 to 24	9,859	60.8	10,557	50.2	8,409	35.8
25 to 29	10,942	28.8	9,741	20.9	6,841	10.5
30 to 34	10,552	14.6	8,824	9.5	5,829	6.2
35 to 39	9,423	8.4	7,052	6.2	5,708	5.4

* Figures for 1970 include persons 14 years of age.

Source: U.S. Bureau of the Census: Current Population Reports, Households, Families, Marital Status: March 1987 Advance Report (Series P-20, 417) Issued August 1987

Marriages (continued)

The high proportions of never-married persons in their late twenties and early thirties not only indicates that these people are postponing marriage to a greater extent, but also suggests that a somewhat higher proportion may elect never to marry.

In 1987, the median age at first marriage was 25.8 years for men and 23.6 years for women, according to the Census bureau. The median age at first marriage has been rising for the past 30 years, and this trend accelerated between 1975 and 1987, particularly for women as they became increasingly involved with careers, and financially independent.

Median Age at First Marriage, By Sex: 1970, 1975, 1980, 1987

Year	Men	Women
1987	25.8	23.6
1980	24.7	22.0
1975	23.5	21.1
1970	23.2	20.8

Source: U.S. Bureau of the Census, Current Population Reports, Advance Report (Series P-20, No. 417) issued August 1987

There is a wide variation in the marriage rate regionally and by states. In 1985, the rate by geographic divisions ranged from a high of 17.8 in the Mountain States to a low of 8.2 in New England. Rates in all regions except the Middle Atlantic were lower in 1986 than in 1980.

Among states, 1986 marriage rates ranged from lows of 7.0 in Massachusetts and 7.2 in West Virginia to highs of 15.3 in Hawaii, 16.0 in South Carolina, and 114.0 in Nevada -- a rate which is distorted by the influx of out-of-state residents who favor Nevada for quicky divorces and re-marriages.

Number of Marriages & Marriage Rates, By Geographic Divisions: 1980, 1986

	1986			1980		
	Number	Percent	Rate**	Number	Percent	Rate**
U.S. Total	2,400,000*	100.0%	10.0	2,390,252	100.0%	10.6
Geographic Regions:						
New England	104,415	4.4	8.2	106,328	4.4	8.6
Middle Atlantic	325,821	13.6	8.7	293,985	12.3	8.0
East North Central	359,925	15.0	8.6	395,517	16.5	9.5
West North Central	155,803	6.5	8.9	173,720	7.3	10.1
South Atlantic	442,498	18.5	10.8	413,113	17.3	11.2
East South Central	176,682	7.4	11.6	168,828	7.1	11.5
West South Central	306,507	12.8	11.4	298,244	12.5	12.6
Mountain	231,913	9.7	17.8	241,704	10.1	21.3
Pacific	306,592	12.8	8.6	298,813	12.5	9.4

(footnotes continued)

Marriages (continued)

* Because some states use a different method of compiling estimates on marriages -- including for some counts on licenses issued rather than marriages -- regional totals do not add to the 1986 national total, which is separately calculated by the Health Dept.

**Rate per 1,000 population. Note that marriage counts by State, on which regional totals are based, are by place of occurrence, not necessarily the residence of the couples. In particular, this inflates the Mountain Region's rate and total, as many out-of-State residents, particularly Californians, marry in Nevada.

Source: U.S. Department of Health & Human Services,
National Center for Health Statistics

Marriages are seasonal, with the fewest in January and the most in June, although monthly rates vary from year to year. In 1986, 5.7% of the marriages took place in January and 10.8% in June. Remarriages show less seasonal variation than first marriages.

Monthly Pattern in Marriages & in Marriage Rates: 1985, 1986

	1986		Rate*	
	Number	Percent	1986	1985
Total	2,400,000	100.0%	10.0	10.2
January	135,000	5.7	6.6	6.4
February	147,000	6.2	8.0	8.0
March	150,000	6.3	7.4	7.8
April	185,000	7.7	9.4	8.9
May	228,000	9.5	11.2	11.8
June	259,000	10.8	13.1	14.3
July	237,000	9.9	11.6	11.6
August	243,000	10.2	11.9	12.6
September	231,000	9.7	11.6	12.0
October	211,000	8.8	10.3	10.2
November	174,000	7.3	8.7	9.3
December	200,000	8.4	9.7	9.2

* Monthly rate of marriages per 1,000 women 15-44 years of age.

Source: U.S. Department of Health & Human Services,
National Center for Health Statistics

Divorces

Based on reports for the first nine months of 1987, the divorce rate in the U.S. appears to be holding at the 1986 level, with an indicated small increase in the number of divorces. This follows a decline of 2% in the number reported for the year 1986 compared with 1985 -- 1,159,000 vs. 1,187,000. The 1986 rate per 1,000 population was 4.8 compared with 5.0 in 1985. The divorce rate climbed fairly steadily through the 1960's and 1970's, reaching an all-time high of 5.3 in 1979 and 1981.

HOUSEHOLDS/FAMILIES

Advance information released by the Census Bureau in August 1987 based on the annual Current Population Survey taken in March, indicates an estimated 89.5 million households in the U.S. This represented a gain of one million over the March 1986 count, well below the average annual increase of 1.2 million households averaged thus far in the 1980's and comparing with the average annual increase of 1.6 million in the 1970's. In the 1970-1980 period, the number of households in the U.S. increased by 17.4 million; in the 1980-1987 period, the increase was 8.7 million.

Two major categories of households are identified by the Census Bureau: family and nonfamily. A family or family household consists of at least two persons: the householder (formerly identified as the household head) and one or more additional persons related to the householder by blood, marriage, or adoption. A nonfamily household is composed of a householder who either lives alone or exclusively with persons to whom the householder is not related. Within the family household classification, the Census Bureau distinguishes three major types of family households: married-couple families, families with female householders (no husband present), and families with male householders (no wife present). Within these three broad categories is an array of family situations which differ considerably in characteristics of interest to marketers. For example, there are family households with young couples who have no children, two-parent families, one-parent families, and older couples whose children have left home. Important and continuing changes are occurring in the composition of the Nation's families and households.

The bulk of the nation's households still consists of family households, which numbered 64.5 million in 1987 and account for 72.1% of the U.S. household total -- down from their 73.7% share in 1980, 81.2% in 1970. This drop has been entirely in the share represented by married couple families. In 1987, there were 51.5 million of these households, 4.9% over the 1980 total of 49.1 million. But their share of all households dwindled to 57.6% from 70.5% in 1970, 60.8% in 1980. The gains in family households are concentrated in those maintained by men or women (particularly women) with no spouse present--the single parent phenomena. (Children under 18 were present in about 39% of the families maintained by men without a wife present, compared to 60% of those families that are maintained by women without a husband present.)

HOUSEHOLDS/FAMILIES

The increase in non-family households, particularly singles, has been a major factor in household growth since 1970. For the first time, however, in 1987 growth in non-family households--85% of which are singles--came to a virtual halt. Overall, the number of nonfamily households increased only 0.35% in 1987 compared with 1986, to total less than 25 million. The people living alone, however, decreased 0.24% in number to total 21,128 million. This ties in with the figures previously noted on the growing number of young adults who are living with their parents. People living alone accounted for only one-third of the net increase in households since 1980, a sharp drop from 43% in the 1970s.

The plateau in the number of non-family households may also reflect the shrinking ranks of young adults who are more likely to live alone. The number of people age 18 to 24 years has declined about 10% since 1980. The rising cost of living -- especially housing costs --may also be a factor in the decision of a young wage earner to marry another wage earner, or to remain with parents. The population age 15 to 24 years is the only age group to experience a drop in income since 1980. (The median for this group, after adjusting for inflation, declined 9.5% to $15,300 in 1986 from $16,900 in 1980, according to the Census Bureau.)

Household & Family Units, By Type: 1970, 1980, 1987

	1987		1980		1970	
	Number	Percent	Number	Percent	Number	Percent
Households, total	89,479	100.0%	80,776	100.0%	63,401	100.0%
Family households, total	64,491	72.1	59,550	73.7	51,456	81.2
Married-couple family	51,537	57.6	49,112	60.8	44,728	70.5
Other family:						
Male householder	2,510	2.8	1,733	2.1	1,228	1.9
Female householder	10,445	11.7	8,705	10.8	5,500	8.7
Nonfamily households	24,988	27.9	21,226	26.3	11,945	18.8
Living alone	21,128	23.6	18,296	22.7	10,851	17.1
Male householder	10,652	11.9	8,807	10.9	4,063	6.4
Female householder	14,336	16.0	12,419	15.4	7,882	12.4
Average population Per household:						
All ages	2.66	--	2.76	--	3.14	--
Under 18 years	0.71	--	0.79	--	1.09	--
18 years & over	1.96	--	1.97	--	2.05	--
Per family:						
All ages	3.19	--	3.29	--	3.58	--
Under 18 years	0.96	--	1.05	--	1.34	--
18 years & over	2.22	--	2.23	--	2.25	--

Source: U.S. Bureau of the Census, Current Population Reports, Households, Families, Marital Status: March 1987, Advance Report (Series P-20, No. 417) Issued August 1987 and Household & Family Characteristics (Series P-20 No. 419)

HOUSEHOLDS/FAMILIES

There has been a significant decline since 1980 in householders in the youngest age categories. The number of householders age 20 to 24 in 1987 was 40% below the 1980 total. The oldest members of the 1946-64 Baby Boom are passing age 40, and persons born at the peak of the boom have reached age 30. These persons are being replaced in the younger age groups by the numerically smaller generation that followed. The decline in young adult householders has been accentuated by the larger proportion of young adults that are now postponing the formation of their own households.

The aging of the Baby Boom is also reflected in the increase in the number of householders in the middle age range. Those age 35 to 39 increased by 32% from 1980 to 1987. At the top of the age scale, the number of households maintained by those age 75 years and older rose 21% and accounted for 9% of all households in 1987.

Age of Householder: 1980, 1987
(Number in thousands)

	1987		1980		% Change
	Number	Percent	Number	Percent	1987/1980
Householders, total	89,479	100.0%	80,776	100.0%	+10.8%
15 to 19 years	398	0.4	665	0.8	-40.2
20 to 24 years	4,799	5.4	5,904	7.3	-18.7
25 to 29 years	9,652	10.8	9,252	11.5	+ 4.3
30 to 34 years	10,850	12.1	9,252	11.5	+17.3
35 to 39 years	10,155	11.4	7,684	9.5	+32.2
40 to 44 years	8,549	9.6	6,296	7.8	+35.8
45 to 54 years	13,211	14.8	12,654	15.7	+ 4.4
55 to 64 years	12,868	14.4	12,525	15.5	+ 2.7
65 to 74 years	11,250	12.6	10,112	12.5	+11.3
75 years & over	7,748	8.7	6,432	8.0	+20.5

Source: U.S. Bureau of the Census, Current Population Reports,
Households, Families, Marital Status: March 1987
Advance Reports (Series P-20, No. 417) Issued August 1987

Details on household composition reported by the Census Bureau show marked changes since the 1970's beyond those noted above. As a result of lowered birth totals there has been an increase in the number of households with no children under age 18. In 1987, family households without children of their own represented 36.4% of all households, up from a 35.8% share in 1970. There was a net change of 46.7% in these families in the 1980-1987 period compared with 33.4% in the 1970-1980 period. There was a 2.2% increase in the number of family households without own children under 18 in 1987 compared with 1986, bringing the total to 32.6 million.

HOUSEHOLDS/FAMILIES

Within this group, married-couple families without own children under 18 number 26.9 million in March 1987 and represented 30.1% of households. There has been a net change of 31.5% in the size of this group in 1980 to 1987, compared with a net change of 28.5% in the 1970-1980 period. As householders move into middle age, there is a much greater likelihood that the family will have at least one child and the birth totals among older mothers who have a child after postponing childbirth, (a current development) may result in a short term rise in the number of households with children under 18. This will eventually be counter-balanced by the aging of householders.

Household Composition, By Presence of Own Children Under 18: 1970, 1980, 1987
(Numbers in thousands)

	1987		1980		1970	
	Number	Percent	Number	Percent	Number	Percent
All households	89,479	100.0%	80,776	100.0%	63,401	100.0%
Family households	64,491	72.1	59,550	73.7	51,456	81.2
No own children under 18	32,593	36.4	28,528	35.3	22,725	35.8
With own children under 18	31,898	35.6	31,022	38.4	28,731	45.3
Married couple family	51,537	57.6	49,112	60.8	44,728	70.5
No own children under 18	26,892	30.1	24,151	29.9	19,196	30.3
With own children under 18	24,645	27.5	24,961	30.9	25,532	40.3
Other family, male householder	2,510	2.8	1,733	2.1	1,228	1.9
No own children under 18	1,554	1.7	1,117	1.4	887	1.4
With own children under 18	955	1.1	616	0.8	341	0.5
Other family, female householder	10,445	11.7	8,705	10.8	5,500	8.7
No own children under 18	4,147	4.6	3,261	4.0	2,642	4.2
With own children under 18	6,297	7.0	5,445	6.7	2,858	4.5
Nonfamily households	24,988	27.9	21,226	26.3	11,945	18.8
Male householder	10,652	11.9	8,807	10.9	4,063	6.4
Living alone	8,246	9.2	6,966	8.6	3,532	5.6
Female householder	14,336	16.0	12,419	15.4	7,882	12.4
Living alone	12,881	14.4	11,330	14.0	7,319	11.5

Source: U.S. Bureau of the Census, Current Population Reports, Household, Families, Marital Status: March 1987 Advance Report (Series P-20, No. 417)

Detailed findings on household composition based on the 1987 survey will be published by the Census Bureau later in 1988. A major development has been the increase in family householders with no spouse present. These tend to be considerably younger than householders in married-couple families. And they are getting younger due to the increase in unmarried mothers, separations and divorces at a young age.

In 1986, of the close to 51 million married-couple households, 27.2% had householders under 35 years of age, compared with 28.2% of the 44.7 million total in 1970. In family households with a female head (10.2 million in 1986 vs. 5.5 million in 1970) heads under age 35 accounted for 33.1% of the 1986 total, 23.4% in 1970. In family households with a male head (2.4 million in 1986 and 1.2 million in 1970), heads under 35 accounted for 33.5% and 15.6%, respectively.

HOUSEHOLDS & FAMILIES

Household composition within the 88 million total varies considerably based on the age of household head, type of household (family vs. other), and many other factors, which are covered in detail in the Census Bureau reports. The following profiles the overall household composition in terms of selected characteristics.

Selected Characteristics of U.S. Households: March 1986
(Numbers in thousands)

	1986		1985	
	Number	Percent	Number	Percent
All households	88,458	100.0%	86,789	100.0%
Households with members:				
Under 18 years of age	33,975	38.4	33,358	38.4
18 to 64 years of age	74,593	84.3	73,147	84.3
65 years & over	20,596	23.3	20,128	23.2
Number of household members:				
All ages	236,229	--	233,516	--
Under 18 years of age	62,952	--	62,609	--
18 to 64 years of age	146,070	--	144,204	--
65 years & over	27,206	--	26,703	--
Race of household head:				
White, total	76,576	86.8	75,328	86.8
With members under 18	28,146	31.8	27,712	31.9
With members 65 & older	18,395	20.8	18,048	20.8
Black, total	9,797	11.1	9,480	10.9
With members under 18	4,713	5.3	4,584	5.3
With members 65 & older	1,889	2.1	1,802	2.1
Spanish origin, total (includes Blacks, Whites)	5,213	5.9	4,883	5.6
With members under 18	3,019	3.4	2,827	3.3
With members 65 & older	701	0.8	632	0.7
Household size:				
1 person	21,178	23.9	20,602	23.7
2 persons	27,732	31.3	27,389	31.6
3 persons	16,088	18.2	15,465	17.8
4 persons	13,774	15.6	13,631	15.7
5 or more persons	9,686	10.9	9,703	11.2
Marital status of householder:				
Married, spouse present	50,933	57.6	50,350	58.0
Married, spouse absent	4,084	4.6	3,913	4.5
Widowed	11,363	12.9	11,348	13.1
Divorced	10,269	11.6	9,800	11.3
Single (never married)	11,808	13.3	11,377	13.1

Source: U.S. Bureau of the Census, Current Population Reports: Household & Family Characteristics; March 1985, 1986 (Series P-20, No. 411; P-20, No. 419)

Both household and family size have dropped as the number of people under age 18 per unit continues to decline. In 1987 these were 2.66 persons per household compared with an average of 2.76 in 1980 and 3.14 in 1970. Families averaged 3.19 people in 1987 compared with 3.29 in 1980 and 3.58 in 1970.

HOUSEHOLDS/FAMILIES

Details in the Census Bureau reports include information on the number with own children under 18 years of age, with subdivisions within this age bracket, which can be useful to marketers of children's products.

Family Households With Own Children Under 18: March 1986
(Number in thousands)

	Family Households		Total Children	
	Number	Percent	Number	Percent
Total family households	63,558	100.0%	--	--
No own children under 18	31,888	50.2	--	--
With children under 18	31,670	49.8	57,979	100.0%
1 own child under 18	13,325	21.0	13,325	23.0
2 own children under 18	11,902	18.7	23,804	41.1
3 own children under 18	4,606	7.2	13,818	23.8
4 or more children under 18	1,837	2.9	7,032	12.1
With children under 6	14,581	22.9	19,591	33.8
1 own child under 6	9,847	15.5	9,847	17.0
2 own children under 6	4,092	6.4	8,184	14.1
3 or more own children under 6	642	1.0	1,560	2.7
With children under 3	8,677	13.6	9,661	16.6
1 own child under 3	7,620	12.0	7,620	13.1
2 or more children under 3	1,057	1.6	2,041	3.5
Average number of own children under 18:				
Per all family households	0.31			
Per family with children	1.34			

Source: U.S. Bureau of the Census, Current Population Reports: Household & Family Characteristics: March 1986 (Series P-20, No. 419)

Geographic Distribution

The distribution of households among the States is similar to the population distribution, since a relatively small proportion of the population lives outside of households (i.e. group quarters). The Census Bureau issued a detailed report on regional and State populations and households based on the March 1986 survey in September 1987.

Following population patterns previously noted, the preponderance of household growth has been in the South and West each of which registered a gain of about 15% in number of households in 1986 compared with 1980. The overall gain in households for the nation in this period was 10.5%. Of the four regions of the U.S., the South has the greatest share of households in 1986 (34.2%), followed by the Midwest (24.7%), then the Northeast (20.9%), and the West (20.1%).

Geographic Distribution (continued)

Estimated Number of Households By Region & Geographic Division: 1980, 1986
(Numbers in thousands)

	1986		1980		% Change
	Number	Percent	Number	Percent	1986/1980
United States, total	88,797	100.0%	80,390	100.0%	10.5%
Northeast	18,588	20.9	17,471	21.7	6.4
New England	4,729	5.3	4,362	5.4	8.5
Middle Atlantic	13,859	15.6	13,109	16.3	5.8
Midwest	21,944	24.7	20,859	25.9	5.2
East North Central	15,343	17.3	14,654	18.2	4.7
West North Central	6,600	7.4	6,205	7.7	6.4
South	30,418	34.2	26,486	32.9	14.9
South Atlantic	15,290	17.2	13,160	16.4	16.2
East South Central	5,504	6.2	5,051	6.3	9.0
West South Central	9,624	10.8	8,276	10.3	16.3
West	17,847	20.1	15,574	19.4	14.6
Mountain	4,708	5.3	3,986	5.0	18.2
Pacific	13,139	14.8	11,587	14.4	13.4

Source: U.S. Bureau of the Census, Current Population Reports: State Population & Household Estimates to 1986 (Series P-25, No. 1010)

California ranks as the leading State in terms of number of households, followed by New York, then Texas. California also leads in terms of numerical increase in households in the past five years, but Alaska was the leader in terms of percentage growth.

States Ranked by Largest Number of Households & Increase in Households: 1980-1986
(Numbers in thousands)

Rank		No. of Households 1986		Numerical Increase 1980-86		Percent Increase 1980-86
1	California	9,842	California	1,212	Alaska	36.2
2	New York	6,672	Texas	987	Arizona	26.3
3	Texas	5,916	Florida	891	Nevada	25.1
4	Florida	4,636	New York	331	Florida	23.8
5	Pennsylvania	4,411	Georgia	328	Texas	20.0
6	Illinois	4,237	North Carolina	296	New Mexico	18.4
7	Ohio	3,998	Virginia	259	Georgia	17.5
8	Michigan	3,315	Arizona	252	New Hampshire	17.1
9	New Jersey	2,776	New Jersey	228	Colorado	16.8
10	North Carolina	2,340	Colorado	191	Utah	14.6

Source: U.S. Bureau of the Census, Current Population Reports: State Population & Household Estimates to 1986 (Series P-25, No. 1010)

HOUSEHOLDS/FAMILIES

Projections

In 1986, the Census Bureau published projections of the number of households and families for the years 1986 to 2000. Three different series were issued, each based on different assumptions regarding future rates of household formation and population change.

According to the highest series, the number of households in the U.S. would reach 110.2 million by July 1, 2000 -- 23.4 million more than the 86.8 million in March 1985. The lowest series anticipates a total of 102.4 million by the year 2000, or an increase of 15.7 million households. These two series show increases of 27% and 18%, respectively, over the 1985-2000 period.

Husband-wife households made up 58% of all households in 1985. In the projections for the year 2000, husband-wife households range from 47% of all households in the highest total projection (Series A) to 59% of the lowest projected total (Series C). (For further details, see: Bureau of the Census, Current Population Reports: Population Estimates & Projections: Projections of the Number of Households & Families 1986-2000 (Series P-25, No. 986).

The most important developing trend is the middle-aging of American households. According to the middle series of projections, householders aged 35 to 54 will account for the bulk of household growth in the next 15 years. Between 1985 and 1990, the nation will gain more households headed by persons age 35 to 44 than age 45 to 54, but after 1990, growth will be dominated by the older group. The number of householders 45 to 54 years of age is expected to increase by an average of 700,000 a year through the 1990's.

Beginning in the 1990's, households headed by 25-34 year olds will decline, and newlyweds will represent a dwindling share of all new households.

LIVING ARRANGEMENTS

Young Adults

Although young adults are still much more likely to live alone today than they were a generation ago, as has been previously noted in this report, the rise in single-member households, particularly among young adults, has been slowing down in the 1980's. The proportion of men and women 18 to 24 years old who maintained their own homes as householders or spouses of householders dropped from 32% in 1960 to 17% in 1986 for men, and from 51.1% to 32.4% for women in the same period. In 1986, 59% of the males in this age group living with a parent or parents, up from 54% in 1980, 52% in 1960. Among females age 18 to 24 years, the proportion living at home climbed from 35% to 47%. A continuance in this trend is likely in view of economic and housing conditions.

LIVING ARRANGEMENTS

Young Adults

Living Arrangements of Young Adults By Sex: Age 18 to 24

	1986	1980	1970	1960
Males age 18 to 24 years				
Number (thousands)	13,324	14,278	10,398	6,842
Percent	100.0%	100.0%	100.0%	100.0%
Child of householder	58.8	54.3	54.3	52.4
Family householder or spouse	17.1	21.3	30.0	31.6
Nonfamily householder	9.5	11.1	5.4	2.7
Other	14.6	13.3	10.3	13.4
Females age 18 to 24 years				
Number (thousands)	13,787	14,844	11,959	7,876
Percent	100.0%	100.0%	100.0%	100.0%
Child of householder	46.7	42.7	41.3	34.9
Family householder or spouse	32.4	36.2	44.7	51.1
Nonfamily householder	7.5	8.1	4.2	2.2
Other	13.4	13.1	9.7	11.8

Source: U.S. Bureau of the Census, Current Population Reports: Marital Status and Living Arrangements: March 1986 (Series P-20, No. 418)

Age 25-64 Years

Living Arrangements of the Population Age 25-64 Years
By Age & Sex: March 1986
(Numbers in thousands)

	Age (Years)				
	25 to 29	30 to 34	35 to 44	45 to 54	55 to 64
Male					
Total number	10,751	10,205	15,955	10,970	10,350
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
Householder*	64.5	77.4	84.7	90.3	89.4
Family householder	46.5	62.1	72.8	79.5	79.5
Nonfamily householder	18.0	15.3	11.9	10.8	9.9
Living alone	11.5	11.4	9.7	9.0	9.0
Not a householder	35.5	22.6	15.3	9.7	10.6
In families	26.8	17.1	11.6	7.7	8.4
Not in families	8.8	5.5	3.7	2.0	2.2
Married, wife present	49.4	64.6	74.8	80.2	80.7
Female					
Total number	10,868	10,229	16,552	11,692	11,712
Percent	100.0%	100.0%	100.0%	100.0%	100.0%
Householder*	26.2	26.7	27.0	27.3	30.7
Family householder	15.5	18.3	19.9	17.5	12.9
Nonfamily householder	10.7	8.5	7.1	9.8	17.8
Living alone	7.9	7.1	6.0	8.8	17.1
Not a householder	73.8	73.3	73.0	72.7	69.2
In families	66.9	69.4	70.7	71.2	68.1
Not in families	6.9	3.9	2.2	1.5	1.1
Married, husband present	58.8	68.9	71.2	71.7	67.6

*Defined, for practial purposes, as the household head.

Source: U.S. Bureau of the Census, Current Population Reports: Marital Status and Living Arrangements: March 1986 (Series P-20, No. 418)

LIVING ARRANGEMENTS

The Elderly

From 1980 to 1986, the resident non-institutional population of the U.S. age 65 years and older increased 13% compared with the overall gain in all age groups of 6%. The mature market will continue to expand and draw increasing attention as older people continue to gain in buying power. Women outnumber men as they average longer life spans and the pattern in living arrangements reflects this. In 1986, the resident, non-institutional female population age 65 and older numbered 16.0 million compared with 11.3 million men of this age. Of the men, 74% were married and lived with their spouses, 74% were heads of family households, only 15% lived alone. Among women age 65 and older, only 38% were married and living with their husbands, 41% were living alone.

Living Arrangements of the Mature Population, Age 65 & Older
By Age & Sex: March 1986
(Number in thousands)

	Age (Years)					
	65 & Older		65 to 74		75 & Older	
	Number	%	Number	%	Number	%
Male						
Total	11,272	100.0%	7,440	100.0%	3,832	100.0%
Householder*	10,094	89.5	6,773	91.0	3,321	86.7
Family householder	8,333	73.9	5,768	77.5	2,565	66.9
Nonfamily householder	1,761	15.6	1,005	13.5	756	19.7
Living alone	1,681	14.9	945	12.7	736	19.2
Not a householder	1,178	10.4	667	8.9	511	13.3
In families	975	8.6	549	7.4	426	11.1
Not in families	203	1.6	118	1.6	85	2.2
Married, living with wife	8,393	74.4	5,891	79.2	2,502	65.3
Female						
Total	16,049	100.0%	9,439	100.0%	6,610	100.0%
Householder*	8,502	53.0	4,383	46.4	4,119	62.3
Family householder	1,734	10.8	1,036	11.0	698	10.6
Nonfamily householder	6,768	42.2	3,347	35.5	3,421	51.7
Living alone	6,636	41.3	3,265	34.6	3,371	51.0
Not a householder	7,548	47.0	5,056	53.6	2,492	37.7
In families	7,347	45.8	4,963	52.6	2,384	36.1
Not in families	201	1.2	93	1.0	108	1.6
Married, living with husband	6,153	38.3	4,643	49.2	1,510	22.8

* Defined, for practical purposes, as the household head.

Source: U.S. Bureau of the Census: Current Population Reports,
Marital Status and Living Arrangements: March 1986
(Series P-20, No. 418)

LIVING ARRANGEMENTS

Children

Of the 61.1 million children under 18 years of age who lived with one or both parents in 1986, 14.8 million (24%) lived with only one parent. Even though the total number of children under 18 has declined from 64 million in 1960, the number affected by divorce, separation, and out-of-wedlock births has escalated. In 1960, only 9% of those living with a parent were in one-parent families. Of the 14.8 million living with one parent in 1986, 89% lived with their mothers, 11% with their fathers.

Living arrangements of children vary by race and Hispanic origin. In 1986, 80% of the 50.9 million White children lived with two parents and 18% lived with one parent. The lone parent was usually divorced. Of the 9.4 million Black children, 41% lived with two parents while slightly more than half lived with one parent -- usually a never-married parent. For Hispanic children (regardless of race), 67% lived with both parents, 30% lived with only one parent.

Living Arrangements of Children Under 18 Years: March 1986
By Age & Race
(Number in thousands)

	Total	Both Parents	Mother Only	Father Only
Children under 6 years				
White	17,474	14,656	2,462	356
Black	3,103	1,230	1,774	99
Hispanic*	2,289	1,638	594	56
Children 6 to 11 years				
White	15,978	12,942	2,687	350
Black	2,908	1,280	1,561	67
Hispanic*	2,106	1,407	643	56
Children 12 to 17 years				
White	16,533	13,084	2,872	577
Black	2,916	1,359	1,492	66
Hispanic*	1,835	1,230	546	59

* Persons of Hispanic origin may be of any race. Columns by race are, therefore not additive.

Source: U.S. Bureau of the Census: Current Population Reports, Marital Status and Living Arrangements: March 1986 (Series P-20, No. 418)

White children are more likely to live with parents who have higher incomes and who own their own homes than are Black children and children of Hispanic origin. In general, children in one-parent situations are clearly disadvantaged compared with their two-parent counterparts.

LIVING ARRANGEMENTS

Children (continued)

Children Under 18 Years Living With One or Two Parents, By Race of Child & Selected Characteristics of Parents

	White		Black		Hispanic	
	2 Parents	1 Parent	2 Parents	1 Parent	2 Parents	1 Parent
Total children (thous.)	40,681	9,303	3,869	5,058	4,275	1,955
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Age of parent						
Under 25 years	3.9	12.0	4.2	19.1	6.4	12.5
25 to 34 years	36.3	40.7	39.1	48.7	40.6	46.9
35 to 44 years	44.1	37.5	40.0	24.8	36.4	33.3
45 years & over	15.7	9.7	16.7	7.4	16.6	7.3
Employment status of parent						
Employed	87.5	62.8	78.1	42.6	79.8	40.5
Unemployed or not in the labor force	12.5	37.2	21.9	57.4	20.2	59.5
Family income:						
Less than $10,000	7.0	47.9	9.9	69.3	17.4	69.9
$10,000 to $19,999	16.4	26.9	27.8	20.6	29.5	19.5
$20,000 to $29,9999	21.7	15.4	24.5	6.5	26.4	6.9
$30,000 to $39,999	21.1	5.5	17.3	2.7	12.5	1.6
$40,000 or more	33.9	4.3	20.6	0.8	14.2	2.0

Source: U.S. Bureau of the Census; Current Population Reports, Marital Status and Living Arrangements: March 1986 (Series P-20 No. 418)

FERTILITY/BIRTHS

Two different sets of government data cover the subject of fertility and births in the U.S. which differ somewhat. The National Center For Health Statistics issues monthly and annual reports on the birth rate (live births per 1,000 population), the fertility rate (live births per 1,000 women aged 15 to 44 years) and an estimated number of live births within the U.S.

The Census Bureau issues annual reports on the components of population change, including births and details on women who gave birth in a 12-month period. The Bureau's fertility rate covers births per 1,000 women age 18 to 44 years. The number of births -- unlike the National Center's birth totals, includes babies born among the U.S. Armed Forces overseas as well as U.S. births.

In the 11-month period ending November 1987, the National Center for Health Statistics reported a total of 3,517,000 births in the U.S., which was 2.4% above the comparable 1986 total. The birth rate in the 1987 period was 15.8 vs. 15.6 in 1986; the fertility rate was 66.4, 2% above the rate for the first 11 months of 1986 (65.4).

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FERTILITY/BIRTHS

The slight gains registered do not portend a significant reversal in birth trends. They reflect to an important degree the surge in births among older women who had delayed having a child combined with the increase in the number of women at the top end of the age scale. But U.S. Bureau of Census projections indicate that the number of women in the childbearing ages, in total, is not expected to change for the remainder of this decade, and the number in the age groups accounting for most births will continue to decline, as those born in the low birth years of the early to middle 1970's reach the childbearing ages. During the next several years, therefore, if the number of births is to increase, there would have to be increases in the birth rates for at least some age groups. In recent years, increases in these rates have occurred primarily among women in their thirties and declines have been measured for women aged 15-29 years, the ages during which more than three-quarters of childbearing typically occurs in the U.S.

U.S. births in 1986, reported at 3,731,000 by the National Center for Health Statistics, were slightly below the 1985 total, and both the birth rate per 1000 population and the fertility rate per 1,000 women 15-44 years of age decreased between 1985 and 1986. The fertility rate, of 64.9 compared with 66.1 in 1985, and was the lowest ever record in the U.S.

The Census Bureau in its middle series of population projections estimated that total births would drop to about 3.5 million by the year 2000. A slight increase (0.5%) was anticipated in the birth total among women age 15 to 19 in the year 2000 compared with 1987, but declines were projected for other significant age groups: age 20-24 (-13.5%), age 25-29 (-20.4%), age 30-34 (-3.6%).

The annual birth total in the U.S. took an upward turn following a 15-year decline from 1960-1975, and is leveling off at about 3.7 million. This is far below the total of 4.3 million babies arriving in 1957--the peak year of the baby boom.

Trends in Estimated Births & Fertitily Rates: Selected Years 1970-1987

Calendar Year	Births* (thousands)	General Fertility Rate**
1987	3,772	na
1986	3,687	64.9
1985	3,750	66.1
1980	3,612	68.4
1975	3,144	66.0
1970	3,739	87.9

na not available
* Includes births among U.S. Armed Forces overseas.
** Fertility rates are based on births per 1,000 women age 15-44 years in the resident U.S. population as of mid-year.

Source: U.S. Bureau of the Census: Current Population Reports, Estimates of U.S. Population and Components of Change (Series P-25 No. 1006, 1016)

FERTILITY/BIRTHS

The Census Bureau's most recent annual analysis of women who gave birth, covering the 12-month period ending June 1986, confirmed the trend to older mothers of new born babies. In this period, 32.4% were over 30 years of age compared with 24% in 1980. Half of the new mothers were in the labor force compared with 38% in 1980. In the period ending June 1986, 22.4% of the new mothers held managerial or professional positions, 42.9% were in technical, sales or administrative support employment, 19.3% were in service occupations; the remainder in factory work and miscellaneous categories.

Women Who Gave Birth in Selected Years
Ending June -- 1976-1985

	1986	1985	1984	1980	1976
Total number of women who gave birth in 12 months ending June (thousands)	3,625	3,497	3,311	3,247	2,797
Age distribution:					
Total, 18-44 years	100.0%	100.0%	100.0%	100.0%	100.0%
18-24	33.3	38.3	37.8	43.0	46.2
25-29	34.3	33.5	33.9	33.3	33.2
30-34	22.5	20.1	21.2	16.0	14.4
35-39	7.9	6.6	5.9	5.9	4.9
40-44	2.0	1.5	1.2	1.8	1.3
Percent in the labor force:	49.8	48.4	46.7	38.0	31.0

Source: U.S. Bureau of the Census: Current Population Reports, *Fertility of American Women:* (Annual Reports)

Of the 3,625,000 women age 18 to 44 years who gave birth in the 12 month period ending June 1986, 2,951 were White (81.4%), 520,000 were Black (14.3%), and 429,000 were of Spanish origin (11.8%). The latter may be of any race, and there is some duplication, therefore, in these figures.

Of the White mothers, 88.2% were currently married. Among Black mothers, those currently married accounted for 50.8%; among mothers of Spanish origin, 77.2%. For all women 18 to 44, 42% reported that it was their first birth, resulting in a first birth rate of 27.7 per 1,000 women.

Close to 29% of the White mothers were in families with incomes of $30,000 or more in the 1986 period. Among Blacks, this percentage was only 11.2%; among Hispanics, 12.3%.

Distribution of Women Giving Birth in Year Ending June 1986 By Income Group/By Race

(Covers women age 18 to 44 years)

	Total	White	Black	Hispanic*
Total new mothers age 18 to 44 years (in thousands)	3,625	2,951	520	429
Family income				
Total mothers-percent	100.0%	100.0%	100.0%	100.0%
Under $15,000	33.4	28.5	60.4	57.1
$15,000 - $19,999	10.5	10.4	10.6	9.3
$20,000 - $24,999	11.1	11.8	7.7	8.8
$25,000 - $29,999	9.7	10.5	6.3	6.8
$30,000 - $34,999	8.8	10.0	3.8	5.8
$35,000 & over	24.0	26.2	8.8	11.6
Income not reported	2.5	2.6	2.4	0.7

* Hispanics may be of any race.

Source: U.S. Bureau of the Census: Current Population Reports: Fertility of American Women: June 1986 (Series P-20 No. 421)

Of the 51,581,000 women in the U.S. population covered in the Census Bureau report for the 12 months ending June 1986, 37.3% had no children, 19% had one, 24.9% had two; 11.9% had three, and 6.8% had four or more. The report gives an indication of the number of children by age of mother (although it includes counts for nonsurviving children as well as live).

Children Ever Born to Women By Age Group: 18-34 Years As of June 1986

(Number of children in thousands)

Current Age of Mother	Number of Children	Percent
18 to 34 years, total	34,918	100.0%
18 to 19 years	562	1.6
20 to 24 years	5,264	15.1
25 to 29 years	12,074	34.6
30 to 34 years	17,018	48.7

Source: U.S. Bureau of the Census: Current Population Reports: Fertility of American Women: June 1986 (Series P-20, No. 421)

Birth Order

The high percentage of births that are first babies -- over 41% currently -- is good news for marketers of baby products, along with the fact that mothers are increasingly older and more affluent (although it must not be forgotten that some 20% of babies are born into households at the poverty level). The more-favored first-borns generally benefit from a greater outlay for the nursery than needed for a second child or latter arrival. It has been estimated that parents spend only 69% as much on a second child as they do on their first. Doting grandparents are also available to a greater extent than ever, due to longevity and greater affluence, to shower babies with gifts, representing an important segment of the baby business.

FERTILITY/BIRTHS

Birth Order

Live-Birth Order -- Percent of Total Births in Selected Years, 1972-1985

	1985	1984	1979	1972
Total live births	100.0%	100.0%	100.0%	100.0%
Birth order:				
First	41.4	41.7	42.3	39.6
Second	33.1	33.0	32.0	28.5
Third	15.6	15.3	15.1	14.1
Fourth & higher	9.5	9.5	10.7	15.0
Not stated	0.6	0.5	--	2.8

Source: U.S. Dept. of Health & Human Services, National Center for Health Statistics: Advance Report of Final Natality Statistics, 1985 (July 17, 1987)

Sex Ratio In Births

The sex ratio at birth in 1985 was 1,052 males per 1,000 females, slightly above the ratio of 1,050 observed in 1984. Since 1967, there has been little annual variation in the sex ratio, with a range of 1,050 to 1,055 in this period.

Since the mid-1960's, the sex ratio for Whites has ranged from 1,053 to 1,059 males; among Blacks, it has ranged from 1,024 to 1,033 males per 1,000 females since 1970.

Birth Patterns By Month

Percent Distribution of Registered Live Births
By Months, 1982, 1984, 1986

	1986	1984(r)	1982
Birth total	100.0%	100.0%	100.0%
January	8.1	8.0	8.1
February	7.5	7.7	7.5
March	8.3	8.3	8.3
April	8.1	7.8	7.9
May	8.5	8.2	8.3
June	8.2	8.1	8.4
July	8.9	8.9	8.9
August	9.0	9.1	8.9
September	8.8	8.9	8.9
October	8.6	8.7	8.5
November	8.1	8.1	8.0
December	8.3	8.2	8.2

(r) revised

Source: U.S. Department of Health & Human Services, National Center for Health Statistics (Annual Summaries)

FERTILITY/BIRTHS

Age of Father

For the first time since 1982, the birth rate for men increased 1% in 1985, to 55.7 live births per 1,000 men aged 15-54 years in 1985, the latest figures issued by the National Center for Health Statistics. For White men the rate was 51.9; for Black men, 77.6. Birthrates were up for men in all age groups from 15-19 through 50-54 years.

Regional Variations in Birth Totals

Marketers of baby products, services, and maternity wear, as well as young children's products, should focus on the South and Midwest, which accounted for 34.4% and 25.0%, respectively, of total births in the seven year period 1980-1986. Within the Midwest Region, the East North Central States (Ohio, Indiana, Illinois, Michigan and Wisconsin) accounted for the largest segment (17.4%) of total births reported for any geographic division, followed by the Pacific division (Washington, Oregon, California, Alaska, and Hawaii), with 15.8%.

Number of Births By Regions & Divisions: 1980-1986
(In thousands)

	Number	Percent
Total births, 1980-1986	22,922	100.0%
Northeast	4,232	18.5
New England	1,060	4.6
Middle Atlantic	3,172	13.8
Midwest	5,735	25.0
East North Central	3,994	17.4
West North Central	1,741	7.6
South	7,888	34.4
South Atlantic	3,554	15.5
East South Central	1,419	6.2
West South Central	2,916	12.7
West	5,066	22.1
Mountain	1,451	6.3
Pacific	3,615	15.8

Source: U.S. Bureau of the Census: State Population Estimates, By Age & Components of Change: 1980-1986 (Series P-25, No. 1010)

Data from the National Center of Health Statistics shows a wide variation in fertility rates per 1,000 women age 15-44 by state and region. In 1985, the highest rate was 98.0 (for Alaska and Utah); the lowest, 54.0 (for West Virginia).

Regional Variations in Birth Totals (continued)

Live Births By Race of Child, Birth Rates & Fertility Rates, 1985
U.S. & Nine Geographic Regions

	Number (thousands)			Birth	Fertility
	Total*	White	Black	Rate**	Rate**
U.S. total	3,760.6	2,991.4	608.2	15.8	66.2
New England	179.2	162.9	12.6	14.2	58.3
Middle Atlantic	525.6	410.8	100.4	14.1	60.1
East North Central	633.9	525.0	98.6	15.2	64.2
West North Central	274.7	245.5	19.9	15.6	68.2
South Atlantic	599.1	418.0	169,6	14.9	62.8
East South Central	222.8	160.8	60.2	14.7	62.3
West South Central	478.0	376.9	86.6	18.0	75.3
Mountain	235.4	208.8	8.2	18.4	76.7
Pacific	611.8	482.7	52.1	17.5	72.0

* Includes races other than White and Black.
**Birth rates per 1,000 estimated total population in each area; fertility rates per 1,000 women aged 15-44 years in each area.

Source: National Center For Health Statistics: Advance Report of Final Natality Statistics, 1985 (July 1987)

CHILD CARE ARRANGEMENTS/SCHOOL ENROLLMENT

The early 1980's marked a period of declining populations of school age across the nation as the result of the drop in births after 1964. However, with an upturn in births, there is now an increase in the number of young children. A large percentage of these have working mothers, and youngsters who in the past were counted as pre-schoolers are now in nursery schools and kindergarten, changing the profile of school enrollment. This has generated a new market for children's wear, for school supplies and other pertinent products which develop in line with birth trends and female employment trends.

In a study covering the population of children under 18 as of July 1986 compared with the 1980 census, released by the Census Bureau in December 1987, the number under 5 years of age increased more than 10% in the 1980's, with the fastest growth registered in Sun Belt States and Alaska. Alaska's population of children under 5 grew by over one-half. In Florida, which is most frequently associated with the mature market, the number of preschool age children increased by more than a third in six years. Increases of at least 25% were reported for Arizona, California, Texas and Nevada.

Not all areas have registered gains. The exodus of workers from areas which have encountered depressed economic conditions in recent years is reflected in a drop in the number of youngsters in affected states. Hardest hit, thus far, is West Virginia, which had one-sixth fewer young children than in 1980. Iowa, Kentucky, Indiana and Idaho each lost more than 5% of their preschool population.

CHILD CARE ARRANGEMENTS/SCHOOL ENROLLMENT

A study on "Who's Minding the Kids" issued by the Census Bureau in May 1987, which focused on child care arrangements in the Winter of 1984-1985, reported a total of 8.2 million preschool age children (0 to 4 years old) had working mothers. Of these children, 24% were attending day care centers, nursery school or kindergarten.

Preprimary School

The latest counts on school enrollment, detailed by age, race and school level, currently available are in an advance report for October 1985, issued by the Census Bureau in September 1986. (The final report will be issued in Spring 1988). Based on current projections covering the population, the number of children in nursery school is currently estimated at some 2.9 million, and in kindergarten, about 7.1 million.

Girls have outnumbered boys in nursery school, for some reason, despite the fact that at that age level boys outnumber girls in the overall population.

Enrollment in Nursery School & Kindergarten: 1980, 1985
(Numbers in thousands)

	1985	1980	% Change 1985/1980
Number Enrolled			
Preprimary school, total	6,306	5,163	+ 22.1%
Nursery school, total	2,491	1,987	+ 25.4
Public	854	633	+ 34.9
Private	1,637	1,354	+ 20.9
Kindergarten, total	3,815	3,176	+ 20.1
Public	3,221	2,690	+ 19.7
Private	594	486	+ 22.2
Percentage of Children Enrolled in School			1970
Age 3 and 4 years	38.9%	36.7%	20.5%
Age 5 and 6 years	96.1	95.7	89.5

Source: U.S. Bureau of the Census, Current Population Reports: School Enrollment-Social and Economic Characteristics of Students (Advance Report) (Series P-20, No. 409) (Sept. 1986)

Elementary School & High School

The Census Bureau's child-care report showed a total of 18.3 million children 5 to 14 years of age had working mothers. Of these, 75% were in school, 2.8% in other organized child-care facilities, including nursery school/kindergarten.

Elementary School & High School (continued)

As previously noted in the data on population projections, the number of school age children is now picking up. This is reflected in enrollments in the early grades, though this is not uniformly true throughout the country. While the school population has surged in California and some other states, particularly in the Southwest, in Florida and Georgia, the Census Bureau found that most states had fewer children in school in 1986 than in 1980. The decline in the number of children 5 to 17 years of age was greatest in the Northeast.

The new wave of young children will impact states and regions on an uneven basis, along with varying birth totals and mobility patterns. Current estimates place the number of children age 6 to 13 years at 27.2 million, compared with 26.6 million in 1985.

Enrollment in elementary school peaked in 1970, at 33.9 million, then went into a steady decline until 1984. The latest Census Bureau report on school enrollment showed elementary school enrollment at 26.9 million in 1985, just 28,000 ahead of the 1984 total, but below the 1980 level.

It will be some years before significant increases are noted in the number of high school students. Estimates for 1988 place the population in the 14-to-17 age group at about 13.7 million (about 7.0 million boys, 6.7 million girls). This is 8.1% below the 14.9 million of this age counted in 1985.

Enrollment in Elementary School & High School: 1980, 1985
(Numbers in thousands)

	1985	1980	% Change 1985/1980
Elementary school, total	26,866	27,449	- 2.1%
Public	23,803	24,398	- 2.4
Private	3,063	3,051	+ 0.4
High school, total	13,979	14,556	- 4.0
Public	12,764	13,249*	- 3.7
Private	1,215	1,100*	+ 10.4

* Year 1981 (1980 not available).

Source: U.S. Bureau of the Census, Current Population Reports: School Enrollment-Social and Economic Characteristics of Students (Advance Report) (Series P-20, No. 409) Sept. 1986

SCHOO[illegible]LMENT

College Enrollment

College enrollments have been holding up better than anticipated in view of the declining number of 18-year-olds, although the gain has been among part time, rather than full time students. A Department of Education study in 1986 showed that fewer than half the college students get a degree in the four years after graduating from high school.

College Enrollment: 1985-1990
(Number in thousands)

Year	Full Time	Part Time
1985	7,075	5,172
1986	7,148	5,249
1987	7,000	5,300
1988 (e)	6,970	5,340
1989 (e)	6,980	5,380
1990 (e)	6,900	5,400

(e) estimated

Source: Department of Education (The New York Times, 12/9/87)

The latest profile of college students age 14 to 34 years has been compiled by the Census Bureau as of 1985 compared with earlier years. The Census Bureau's total as of October 1985 was 10,863 thousand students.

Characteristics of College Students 14 to 34 Years Old
October 1965, 1975, 1985

	1985	1975	1965
Number of students, 14 to 34 years (thousands)	10,863	9,697	5,675
Percent	100.0%	100.0%	100.0%
White	85.9	87.8	93.7
Black	9.7	9.8	4.8
Hispanic*	5.3	4.3	na
Men	49.2	55.1	61.7
Women	50.8	44.9	38.3
Age: 14 to 24 years	71.8	74.5	83.6
25 to 34 years **	28.2	25.5	16.4
Full time	71.0	73.3	77.8
Part time	29.0	26.7	22.2
Undergraduate	83.9	83.7	84.9
Graduate	16.1	16.4	15.1

*Hispanics are of either race

**Including students age 14 to over 34, the Bureau reported a 1985 total of 12,524 thousand (13.3% were age 35 years and over; men represented 47.2%, women 52.8%).

Source: U.S. Bureau of the Census, Current Population Reports: School Enrollment - Social and Economic Characteristics of Students: October 1985 (Advance Report) (Series P-20, No. 409)

College Enrollment (continued)

College enrollment figures have been sustained not only by the strong promotional programs of the colleges but by the competition for good jobs, and awareness on the part of students that college degrees lead to better jobs and bigger earnings. Over 75% of freshmen feel that getting a better job is an important reason for going to college, according to a recent study by the American Council on Education. The most rapidly growing groups of college students are those who have already tested the work place -- those age 25 and older, and women.

Expectations of higher earnings are generally borne out by the facts. People with college degrees had an average monthly income of $1,910 in 1984, nearly twice the $1,045 average for those with only high school diplomas, according to a Census Bureau report released in October 1987. The average monthly income for those without a high school diploma was $693.

EDUCATIONAL ATTAINMENT

In November 1987, the Census Bureau issued a detailed report on educational attainment in the U.S., March 1982 to 1985. There has been a remarkable increase in the proportion of the U.S. population who completed at least 4 years of high school. This has increased from one-quarter of the population age 25 and older in 1940 to nearly three quarters in 1985. In 1985, about 36% of adults age 25 and over had completed at least 1 year of college, 19% had completed 4 or more years. In 1940, about 5% had completed 4 or more years of college.

The experience of young adults, 25 to 29 years old, shows the recent changes that have taken place. The proportion of young adults who were high school graduates rose from 38% to 86% between 1940 and 1985. The proportion of young adults who were college graduates rose from 6% in 1940 to 22% in 1985. While changes in enrollment trends in recent years have reduced the difference in the proportions of young men and young women who are college graduates (23% of the men age 25 to 29 vs. 21% of the women in 1985), a substantial difference remained among all adults 25 years old and over -- 23% of the men and 16% of the women were college graduates in 1985.

Based on the Survey of Income and Program Participation, the Census Bureau reported in an October 1987 release that 21% of the adults population age 18 years and over has earned a degree beyond high school. Post-secondary degrees were held by 23% of men, 19% of women, 22% of Whites and 11% of Blacks. While 14% of all degrees held by men were in engineering, just 1.5% of women held degrees in this field. Business accounted for 23% of men's degrees and 15% of women's; 25% of women's degrees were in education, compared with 9% of men's.

EDUCATIONAL ATTAINMENT

High School & College Graduates By Region: March 1985
Age 25 Years & Over
(Numbers in thousands)

		Percent completed	
	Population	High School 4 or More Years	College 4 of More Years
Age 25 Years & over			
U.S.	143,524	73.9%	19.4%
Northeast	31,184	74.0	20.8
Midwest	35,548	75.5	17.5
South	48,649	69.0	17.5
West	28,144	80.2	23.5
Age 25 to 29 Years			
U.S.	21,106	86.1	22.2
Northeast	4,097	88.9	26.9
Midwest	5,250	87.9	21.4
South	7,192	82.7	20.1
West	4,566	87.1	22.1

Source: U.S. Bureau of the Census, Current Population Reports: Educational Attainment in the U.S., March 1982-1985 (Series P-20, No. 415) (November 1987)

Highest Degree Earned Among Adult Population Age 18 & Over: Spring 1984
(Number in thousands)

		By Age			Sex	
	Total	Under 35	35-54	55 & Over	Male	Female
Total	170,232	68,968	52,744	48,518	80,834	89,398
Doctorate	768	152	378	239	585	183
Professional	1,744	509	787	449	1,432	312
Master's	5,795	1,648	2,940	1,207	3,110	2,685
Bachelor's	18,069	8,321	6,427	3,320	9,581	8,488
Associate	5,768	3,077	2,028	663	2,804	2,964
Vocational	3,105	1,195	1,133	776	1,023	2,082
Some college, no degree	30,301	16,929	8,260	5,111	15,444	14,857
High school graduate only	60,358	26,021	19,842	14,495	26,407	33,951
Not a high school graduate	44,324	11,116	10,950	22,258	20,448	23,826

Source: U.S. Bureau of the Census, Current Population Reports: Household Economic Studies, Educational Background and Economic Status: Spring 1984 (P-70, No 11)

LABOR FORCE, EMPLOYMENT, EARNINGS

At the end of 1987, 122.5 million people age 16 years and over were in the nation's labor force (including resident Armed Forces), representing 66.1% of the noninstitutional population. Of this total, 115.5 million were employed (94.3%), the unemployed accounted for 5.7%. At the end of 1986, the size of the labor force was reported at 120.3 million -- 65.7 of the noninstitutional population 16 and over; 112.4 million were employed (93.4%) and the unemployment level stood at 6.6%.

LABOR FORCE, EMPLOYMENT, EARNINGS

The Labor Force

The Bureau of Labor Statistics has prepared projections of the U.S. economy to the year 2000 (See Monthly Labor Review, September 1987). Three alternative projections were developed, based on a range of assumptions which result in high, moderate, and low rates of growth, replacing projections published in 1985.

Two major factors determine labor force growth: changes in population (both total size and distribution by age) and in labor force participation rates. According to moderate growth projections, the labor force is expected to expand by nearly 21 million, or 18%, over the 1986-2000 period. This compares with an increase of almost 31 million, or 35%, in the 1972-1986 period. The rapid growth in the earlier period was due to the baby-boom generation (born between 1946 and 1964) entering the labor force, accompanied by the rapid increases in women's labor force participation rates. The recent slowdown and that projected for the remainder of the century reflect the entry of the smaller numbers from the "birth dearth" generation (those born over the 1965-1978 period) along with the slower rate of projected growth in the participation rates of women.

In the 1986-2000 period, the Labor Department's moderate growth projections anticipate a labor force that is increasingly minority and female. The White labor force is projected to increase less than 15% while the Black labor force is expected to grow by nearly 29%, or by 3.7 million workers. The Hispanic labor force is projected to grow by about 6 million, or more than 74%. Asian and other races are projected to grow by nearly 2.4 million.

The moderate growth projections look for participation of women age 16 and over in the labor force to reach 61.5% by year 2000. This compares with a rate of 55.3% in 1986, 50.9% in 1979, 43.9% in 1972. The growth in the rate will be among women under age 55; participation rates for older women will decline. Women are expected to make up more than 47% of the labor force by 2000, up from 39% in 1972 and 45% in 1986.

Lowered birth totals are currently causing shortages of young people to fill entry level jobs, and this trend will continue at least through the mid-1990's. By the year 2000, the share of the labor force age 16 to 34 and over age 55 is projected to decline and the share of 35-54 year olds is expected to increase.

The number of 25-to-34 year olds is projected to increase through the early 1990's, then show a sharp decline. The number age of 55 to 64 is projected to decline through the mid-1990's, then increase rapidly.

The Labor Force (continued)

Civilian Labor Force & Participation Rates: Actual 1979, 1986 & Moderate Growth Projections 2000

	Participation rate			Level in (thousands)			% Change	
	Actual		Projected	Actual		Projected	1972/	1986/
	1979	1986	2000	1979	1986	2000	1986	2000
Total 16 and over	63.7	65.3	67.8	104,960	117,837	138,775	35.4%	17.8%
Men, 16 and over	77.8	76.3	74.7	60,727	65,423	73,136	22.2	11.8
16 to 19	61.5	56.4	60.2	5,111	4,102	4,501	- 8.4	9.7
20 to 24	86.4	85.8	87.5	8,534	8,149	7,005	20.5	-14.0
25 to 34	95.3	94.6	93.6	16,386	19,383	16,559	57.0	-14.6
35 to 44	95.7	94.8	93.9	11,532	15,029	20,133	44.9	34.0
45 to 54	91.4	91.0	90.1	10,008	9,994	16,332	- 4.0	63.4
55 to 64	72.8	67.3	63.2	7,213	6,954	7,238	- 2.8	4.1
65 and over	19.9	16.0	9.9	1,943	1,812	1,368	-10.5	-24.5
Women, 16 and over	50.9	55.3	61.5	44,233	52,414	65,639	56.5	25.2
16 to 19	54.2	52.9	59.2	4,527	3,824	4,379	6.9	14.5
20 to 24	69.0	72.4	78.4	7,233	7,293	6,746	35.9	- 7.5
25 to 34	63.9	71.6	82.3	11,550	15,209	15,098	130.1	- .7
35 to 44	63.6	73.1	84.2	8,153	12,204	18,438	102.5	51.1
45 to 54	58.4	65.9	75.4	6,891	7,746	14,220	18.2	83.6
55 to 64	41.7	42.3	45.8	4,718	4,940	5,732	16.0	16.0
65 and over	8.3	7.4	5.4	1,161	1,198	1,026	10.0	-14.4
Whites, 16 and over	63.9	65.5	68.2	91,922	101,801	116,701	31.7	14.6
Men	78.6	76.9	75.3	53,857	57,216	62,252	18.9	8.8
Women	50.5	55.0	61.5	38,065	44,585	54,449	52.9	22.1
Blacks, 16 and over	61.4	63.5	66.0	10,665	12,684	16,334	45.0	28.8
Men	71.6	71.2	70.7	5,566	6,373	7,926	31.3	24.4
Women	53.2	57.2	62.1	5,109	6,311	8,408	62.1	33.2
Asian and other[1]								
16 and over	65.9	64.9	65.8	2,373	3,352	5,740	na	71.2
Men	76.7	74.9	72.4	1,314	1,834	2,958	na	61.3
Women	56.0	55.9	60.1	1,059	1,518	2,782	na	83.3
Hispanics[2]								
16 and over	63.5	65.4	68.7	5,215	8,076	14,086	na	74.4
Men	81.2	81.0	80.4	3,182	4,948	8,303	na	67.8
Women	47.4	50.1	56.9	2,033	3,128	5,783	na	84.9

[1] The "Asian and other" group includes American Indians, Natives, Asians and Pacific Islanders. The historic data are derived by subtracting "Black" from the "Black and other" group; projections are made directly.

[2] Persons of Hispanic origin may be of any race. Labor force data for Hispanics are not available before 1976.

na not available

Source: U.S. Labor Statistics: Monthly Labor Review
(September 1987)

The Labor Force (continued)

The Bureau of Labor Statistics' projections on the labor force by the year 2000 anticipate a net increase of 21 million jobs compared with 1986, based on the moderate series of assumptions, with virtually all of this increase in the service-producing sectors. Of the 133 million total jobs, 119 million are expected to be nonfarm wage and salary (or payroll) employment, with 4 out of 5 in service-producing industries (compared with 3 out of 4 in 1986).

Of course, the workforce and the U.S. economy are changing rapidly in ways that could affect projections. Exports, for example, are currently registering strong growth. A recent analysis by The Conference Board, indicated that the U.S. gains more new jobs from a given level of exports than it loses because of the same amount of imports. The Board's analysis suggested that $10 billion worth of exports generates about 193,000 new American jobs, while $10 billion worth of imports eliminates about $179,000 jobs. A Small Business Administration recent report showed that unlike manufacturing as a whole, small manufacturers -- those with 500 jobs or fewer -- have been adding workers --accounting for 1.2 million jobs in the period from 1976 to 1984. A continuance of this trend would help stem the fall in manufacturing employment.

Employment By Major Sector: 1979, 1986 & Moderate Growth Projections to 2000

	Employment (thous.)			Average Annual Rate of Change	
	1979	1986	Projected 2000	1979-1986	1986-2000
Total	101,353	111,623	133,030	1.4%	1.3%
Nonfarm wage and salary[1]	89,481	99,044	119,156	1.5	1.3
Goods-producing	26,463	24,681	24,678	-1.0	.0
Mining	958	783	724	-2.8	- .6
Construction	4,463	4,904	5,794	1.4	1.2
Manufacturing	21,042	18,994	18,160	-1.4	- .3
Durable	12,762	11,244	10,731	-1.8	- .3
Nondurable	8,280	7,750	7,429	- .9	- .3
Service-producing[1]	63,018	74,363	94,478	2.4	1.7
Transportation and public utilities	5,135	5,244	5,719	.3	.6
Wholesale trade	5,204	5,735	7,266	1.4	1.7
Retail trade	14,989	17,845	22,702	2.5	1.7
Finance, insurance, and real estate	4,975	6,297	7,917	3.4	1.7
Services	16,768	22,531	32,545	4.3	2.7
Government	15,947	16,711	18,329	.7	.7
Agriculture	3,401	3,252	2,917	- .6	- .8
Private households	1,326	1,241	1,215	- .9	- .1
Nonfarm self-employed and unpaid family workers	7,145	8,086	9,742	1.8	1.3

(continued)

The Labor Force (continued)

Employment By Major Sector: 1979, 1986 & Moderate Growth Projections to 2000
(continued)

	Percent distribution of wage and salary employment		
	1979	1986	Projected 2000
Total	--	--	--
Nonfarm wage and salary[1]	100.0%	100.0%	100.0%
Goods-producing	29.6	24.9	20.7
Mining	1.1	.8	- .6
Construction	5.0	5.0	4.9
Manufacturing	23.5	19.2	15.2
Durable	14.3	11.4	9.0
Nondurable	9.3	7.8	6.2
Service-producing[1]	70.4	75.1	79.3
Transportation and public utilities	5.7	5.3	4.8
Wholesale trade	5.8	5.8	6.1
Retail trade	16.8	18.0	19.1
Finance, insurance, and real estate	5.6	6.4	6.6
Services	18.7	22.7	27.3
Government	17.8	16.9	15.4
Agriculture	--	--	--
Private households	--	--	--
Nonfarm self-employed and unpaid family workers	--	--	--

Source: U.S. Labor Statistics: Monthly Labor Review
(September 1987)

Occupational groups with the most highly trained workers in terms of educational attainment (including executive, administrative and managerial workers; professional workers; and technicians and related support workers) are projected to continue to grow more rapidly than the average for total employment. In 1986, these three groups accounted for 25% of total employment and are expected to account for almost 40% of the total job growth by 2000, bringing their total share to 27% based on the moderate growth projections.

In contrast, many factors, such as office and factory automation, changes in consumer demand, and import substitution are expected to lead to relatively slow growth or a decline for occupational groups requiring less education. Service workers, as noted below, are expected to grow at a faster rate than total employment, however, increasing from 14.8% of the 1986 total to 16.5% in the year 2000, not including household service workers. Large gains are also expected in wholesale and retail trade employees.

The Labor Force (continued)

Employment Trends By Broad Occupational Groups
(Numbers in thousands)

	1986		Projected 2000		Percent Change		
	Number	Percent	Number	Percent	1972 1979	1979 1986	1986 2000
Total employment	111,623	100.0%	133,030	100.0%	20.3%	10.9%	19.2%
Executive, administrative, and managerial workers	10,583	9.5	13,616	10.2	34.9	28.7	28.7
Professional workers	13,536	12.1	17,192	12.9	29.8	21.4	27.0
Technicians and related support workers	3,726	3.3	5,151	3.9	39.9	24.7	38.2
Salesworkers	12,606	11.3	16,334	12.3	24.3	24.4	29.6
Administrative support workers, including clerical	19,851	17.8	22,109	16.6	23.5	9.5	11.4
Private household workers	981	.9	955	.7	-23.0	-11.5	- 2.7
Service workers, except private household workers	16,555	14.8	21,962	16.5	25.7	16.0	32.7
Precision production, craft, and repair workers	13,924	12.5	15,590	11.7	21.7	6.5	12.0
Operators, fabricators, and laborers	16,300	14.6	16,724	12.6	8.7	- 9.2	2.6
Farming, forestry, and fishing workers	3,556	3.2	3,393	2.6	- 5.1	- 5.6	- 4.6

Source: U.S. Labor Statistics: Monthly Labor Review
(September 1987)

The U.S. Department of Labor, Bureau of Labor Statistics, compiles labor force, employment and earnings data from two major surveys: the Current Population Survey among households, and the Current Employment Statistics Survey among establishments (i.e. business locations).

The Household Data is developed by the Census Bureau in their Current Population Surveys, with the employment information analyzed by the BLS. The survey is conducted among 59,000 households, and provides information on the labor force, total employment, and unemployment. The Establishment Data is collected from payroll records maintained by over 290,000 establishments, employing over 38 million people. These records provide information on employment, hours, and earnings of workers on non-agricultural payrolls. (The Household Data includes agricultural employment.) Workers with more than one job are represented in each job held in the Establishment Data, but only counted once in the Household Data.

Current Employment

Current reports indicate that the employment level and the civilian unemployment rate were holding up very well contrary to pessimistic projections shortly after the October stock market crash. In December, 66.1% of the noninstitutional population age 16 years and over was in the labor force, bringing the total to 122.5 million people. The overall jobless rate was 5.7% and the civilian worker unemployment rate was 5.8%.

LABOR FORCE, EMPLOYMENT, EARNINGS

Current Employment

In December 1986, the jobless rate stood at 6.6%, and civilian employment numbered 110.7 million. While the population age 16 and over increased by close to 2.1 million from December 1986 to December 1987 (+1.1%), civilian employment (agricultural and other) increased by 3.1 million (12.8%). The number of unemployed decreased by 941,000 (-11.9%). The number of people in the resident Armed Forces held at 1.7 million as of December 1986 and 1987.

A Conference Board report issued at the end of December indicated that the U.S. economy is unlikely to generate more than 1.5 million new jobs in 1988, down sharply from about 3 million in 1987. More than 85% of all the new jobs will be in the service industries, with 15% in manufacturing or other goods-producing areas. About half the new jobs are expected to be part-time, temporary or other "contingent" positions. Contingent workers, which include part-time, temporary workers and a wide mix of jobs ranging from sub-contractors to consultants, now number about 30 million workers, according to the Board. In a recession, this group may be the first to feel the pinch of reduced employment.

Annual Averages

Employment Status of the Noninstitutional Population
16 Years & Over: 1980, 1987
(Annual average numbers in thousands)

	1987			1980		
	Total	Men	Women	Total	Men	Women
Population, total	184,490	88,476	96,103	169,349	80,877	88,472
In labor force (number)	121,602	67,784	53,818	108,544	62,932	45,611
Percent of population	65.9%	76.6%	56.1%	64.1%	77.8%	51.6%
Total employed	114,177	63,684	50,494	100,907	58,665	42,117
Civilian employment	112,440	62,107	50,334	99,303	57,186	41,461
Unemployed	7,425	4,101	3,324	7,637	4,267	3,370
Percent of labor force	6.1%	6.1%	6.2%	7.0%	6.8%	7.4%
Not in labor force	62,888	20,692	42,195	60,806	17,945	42,861

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings, January 1988 (Household Data)

Of persons at work in nonagricultrual industries, the 1987 average showed 60% of the men and 40% of the women were full-time workers. Of the part time workers, 38% of the men and 22% of the women were in this classification for economic reasons rather than from choice.

LABOR FORCE, EMPLOYMENT, EARNINGS

Annual Averages (continued)

Full- and Part-Time Employment in Nonagricultural Industries By Sex and Age: 1987
(Numbers in thousands)

	Full-Time*			Part-Time**		
	1987			1980		
	Total	Men	Women	Total	Men	Women
Total, age 16 years & over	84,398	50,359	34,039	19,050	6,464	12,586
16 to 19 years	2,145	1,162	984	4,016	1,899	2,116
20 to 24 years	9,796	5,291	4,506	2,898	1,240	1,658
25 to 44 years	48,765	29,273	19,491	7,136	1,706	5,431
45 years and over	23,692	14,635	9,059	5,009	1,616	3,408

* Full-time employment numbers include workers who normally work full-time schedules but were employed part-time for economic reasons.
**Not including workers counted in accordance with above note (*).

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings, January 1988 (Household Data)

Employment Status of the Civilian Population By Age, Sex and Race: December 1987
(Numbers in thousands)

	Population (Number)	% of Civilian Labor Force	Employed (Number)	Unemployed % of Labor Force	Not In Labor Force Total*	Not In Labor Force In School**
WHITE						
Men: Age						
16 years & over	75,497	76.2%	54,729	4.9%	17,942	3,703
16 to 19 years	5,993	56.0	2,855	15.0	2,634	2,421
20 to 24 years	7,604	82.9	5,876	6.8	1,298	963
25 to 54 years	42,268	94.4	38,225	4.1	2,387	312
25 to 34 years	17,817	95.4	16,180	4.8	812	232
35 to 44 years	14,532	95.0	13,291	3.8	722	68
45 to 54 years	9,919	91.4	8,754	3.4	853	12
55 to 64 years	9,052	68.8	6,037	3.0	2,826	295
65 & over	10,581	16.9	1,735	2.8	8,796	--
Women:						
16 years & over	82,055	55.9	43,910	4.3	36,167	3,461
16 to 19 years	5,910	54.6	2,906	10.0	2,682	2,208
20 to 24 years	7,950	73.5	5,538	5.2	2,108	747
25 to 54 years	43,182	72.5	30,145	3.8	11,857	487
25 to 34 years	17,967	73.2	12,587	4.4	4,807	284
35 to 44 years	14,876	74.8	10,714	3.7	3,749	162
45 to 54 years	10,339	68.1	6,884	2.8	3,301	42
55 to 64 years	10,074	43.6	4,274	3.3	5,684	10
65 & over	14,938	17.4	1,074	2.5	13,837	9

(continued)

Annual Averages (continued)

Employment Status of the Civilian Population By Age, Sex and Race: December 1987

(Numbers in thousands)
(continued)

	Population (Number)	% of Civilian Labor Force	Employed (Number)	Unemployed % of Labor Force	Not In Labor Force Total*	Not In Labor Force In School**
BLACK & OTHER NONWHITE						
Men:						
16 years & over	11,837	71.1	7,536	10.5	3,417	nr
16 to 19 years	1,340	40.5	374	31.0	798	nr
20 to 24 years	1,457	77.0	921	17.9	335	nr
25 to 54 years	6,591	87.7	5,395	8.1	823	nr
25 to 34 years	3,022	88.8	2,387	11.1	339	nr
35 to 44 years	2,210	88.3	1,840	5.8	258	nr
45 to 54 years	1,459	84.5	1,169	5.2	227	nr
55 to 64 years	1,184	50.6	678	5.4	467	nr
65 & over	1,164	14.6	167	1.6	994	nr
Women:						
16 years & over	14,230	58.6	7,504	10.0	5,888	nr
16 to 19 years	1,365	37.3	363	28.9	855	nr
20 to 24 years	1,670	66.5	924	16.8	559	nr
25 to 54 years	8,061	73.1	5,405	8.2	2,171	nr
25 to 34 years	3,626	71.5	2,296	11.4	1,035	nr
35 to 44 years	2,652	77.4	1,929	6.0	599	nr
45 to 54 years	1,783	69.9	1,179	5.4	536	nr
55 to 64 years	1,456	46.6	662	2.3	778	nr
65 & over	1,679	9.1	151	1.8	1,526	nr

nr not reported
* Includes all civilians not seeking employment or working as of December.
** Does not include students who are in the Labor Force.

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings, January 1988 (Household Data)

Employment By Occupation By Sex: Annual Averages - 1983, 1987

	Number (thousands) 1987	Number (thousands) 1983	Percent Change	Percent Distribution 1987	Percent Distribution 1983
Men age 16 & over					
Total employed	62,107	56,787	+ 9.4%	100.0%	100.0%
Occupations:					
Managerial & professional specialty	15,457	14,215	+ 8.7	24.9	24.5
Executive, administrative, managerial	8,263	7,564	+ 9.2	13.3	12.8
Professional specialty	7,194	6,651	+ 8.2	11.6	11.7
Technical, sales, administrative support	12,378	11,078	+11.7	19.9	19.5
Technicians and related support	1,721	1,582	+ 8.8	2.8	2.8
Sales occupations	7,015	6,201	+13.1	11.3	10.9
Administrative support, incl. clerical	3,642	3,295	+10.5	5.9	5.8

(continued)

Annual Averages

Employment By Occupation By Sex: Annual Averages - 1983, 1987
(continued)

	Number (thousands)		Percent	Percent Distribution	
	1987	1983	Change	1987	1983
Men age 16 & over (cont'd.)					
Service occupations	5,924	5,530	+ 7.1%	9.5%	9.7%
Private household	34	38	-10.5	*	0.1
Protective service	1,637	1,457	+12.3	2.6	0.1
Service, other than above	4,253	4,035	+ 5.4	6.8	7.1
Precision production, craft and repair	12,416	11,328	+ 9.6	20.0	19.9
Operators, fabricators, laborers	12,978	11,809	+ 9.9	20.9	20.8
Farming, forestry, fishing	2,954	3,108	- 5.0	4.8	5.5
Women age 16 & over					
Total employed	50,334	44,047	+14.3	100.0	100.0
Occupations:					
Managerial & professional specialty	12,286	9,659	+27.2	24.4	21.9
Executive, administrative, managerial	5,053	3,490	+44.8	10.0	7.9
Professional specialty	7,232	6,169	+17.2	14.4	14.0
Technical, sales, administrative support	22,704	20,187	+12.5	45.1	45.8
Technicians and related support	1,624	1,471	+10.4	3.2	3.3
Sales occupations	6,465	5,617	+15.1	12.8	12.8
Administrative support, incl. clerical	14,614	13,100	+11.5	29.0	29.7
Service occupations	9,130	8,326	+ 9.6	18.1	18.9
Private household	900	942	- 4.4	1.8	2.1
Protective service	271	215	+26.0	0.5	0.5
Service, other than above	7,960	7,170	+11.0	15.8	16.3
Precision production, craft and repair	1,153	1,000	+15.3	2.3	2.3
Operators, fabricators, laborers	4,508	4,282	+ 5.3	9.0	9.7
Farming, forestry, fishing	554	592	- 6.4	1.1	1.3

Source: U.S. Bureau of Labor Statistics: Handbook of Labor Statistics
(Bulletin 2217) Employment & Earnings,
January 1988

Well over half (56%) of the female population age 16 years and over is in the Civilian Labor Force, and women accounted for 44.8% of civilian employment in 1987. In total, there were over 50.3 million employed, on average, last year, almost 70% more than the 29.7 million counted in 1970. In that year, 43.3% of the female population was in the labor force, and women represented only 38% of civilian employment.

Annual Averages (continued)

Women's Share of Total Civilian Employment, Selected Years 1970-1987

Year	% of Population in Labor Force*	Civilian Employment of Women Number (thous.)	Civilian Employment of Women % of Total Employment
1970	43.3%	29,688	37.7%
1975	46.3	33,989	39.6
1980	51.5	42,117	42.4
1982	52.6	43,256	43.5
1985	54.5	47,259	44.1
1987	56.0	50,334	44.8

* Female population age 16 & over

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings, January 1988 (Household Data)

The pattern in civilian employment by occupation in 1987 compared with 1983 shows the growth in the nation's career women. In 1987, women accounted for 44.3% of positions classified as managerial and professional specialty, up from 40.9% of the total in 1983. Within this classification, they held 37.9% of the executive, administrative, managerial position (up from 32.4% in 1983) and over half of the professional specialty spots (which includes engineers, architects, scientists, teachers, etc. The complete details are reported by the BLS in Employment & Earnings). In 1983, women accounted for 48.1% of the positions in this broad classification.

Percent of Total Occupations Accounted For By Women: Annual Average - 1983, 1987

	1987	1983
All employed civilians age 16 & over	44.8%	43.7%
Occupations		
Managerial & professional specialty	44.3	40.9
Executive, administrative, managerial	37.9	32.4
Professional specialty	50.1	48.1
Technical, sales, administrative support	64.7	64.6
Service	60.6	60.1
Precision production, craft and repair	8.5	8.1
Operators, fabricators, laborers	25.8	26.6
Farming, forestry, fishing	15.8	16.0

Source: U.S. Bureau of Labor Statistics,
Employment & Earnings, January 1988 (Household Data)
Handbook of Labor Statistics (Bulletin 2217)

As noted in the section covering recently-issued BLS projections on labor force and employment, women are expected to account for a growing share of the labor force but growth will slow down. The middle series of projections look for a total of 66 million women in the labor force by year 2000, up 13.2 million from 1986. This represents an annual rate of growth of 1.6% compared with a 3.3% rate of growth in the 1972-86 period, when young women of the baby boom were entering the labor force. Women's participation in the labor force, now at 56%, is now expected to increase more slowly in view of the age composition of the population, with more older women.

Earnings

While the gap in earnings between men and women has been closing, women still earn less than men. In 1979, women's average hourly earnings were 62% of men's. By 1986, women's average hourly earnings had grown to 68% of what men earned. The following table shows the gap in median weekly earnings in 1987 by profession or occupation. The major growth in women's jobs in the future is expected to be in the lower paying occupations, particularly service jobs, which is the most rapidly growing sector.

Measured in constant 1985 dollars, women's average annual earnings rose from $11,000 in 1955 to $15,500 in 1973, fell to $14,500 by 1981 but rose to $16,000 in 1986.

Median Weekly Earnings of Full-Time Wage & Salary Workers
By Occupation & Sex: 1987

(Number in thousands)

	Men		Women	
	No. of Workers	Median Weekly Earnings	No. of Workers	Median Weekly Earnings
Managerial & professional	11,555	$ 636	9,339	$ 441
Executive, administrative, managerial	6,117	647	4,099	416
Professional specialty	5,438	625	4,965	458
Technical, sales, administrative support	9,241	453	15,439	293
Technicians & related support	1,533	500	1,264	368
Sales occupations	4,580	479	3,077	246
Administrative support, incl. clerical	3,128	402	11,098	294
Service occupations	4,143	296	4,171	199
Precision production, craft and repair	10,125	431	3,680	201
Operators, fabricators, laborers	10,926	344	3,716	231
Farming, forestry, fishing	1,171	219	142	191

Source: U.S. Bureau of Labor Statistics, Employment & Earnings, January 1988 (Household Data)

The average national wage for manufacturer production or nonsupervisory workers is about $9.91 an hour. Service workers generally average 85% of manufacturer wages, although within the service sector there is a wide range in the wage scale, from $11.76 an hour in transportation and public utilities down to $8.32 in business services; $6.05 in retail trade. In general, the increase in service jobs has been on the low end of the wage scale. A Federal Reserve Bank of Boston report showed that 41% of service workers earned less than $15,000 a year in 1986.

Distribution of Manufacturing Jobs & Service Jobs
By Annual Earnings: 1986

Annual Earnings	Manufacturing	Service
Less than $15,000	28%	41%
$15,000 - $29,999	46	39
$30,000 or more	26	20
Total	100%	100%

Source: Economics Department, Federal Reserve Bank of Boston

LABOR FORCE, EMPLOYMENT, EARNINGS

Employment Status of Families

Reflecting the growth in employment during 1987, the Bureau of Labor Statistics reported that the number of families with members employed full time increased by 934,000 over the year, reaching nearly 48.4 million, or about 75% of all U.S. families. Although about 8% of the families had an unemployed member, the number of such families was down 800,000 in the fourth quarter of 1987 compared with the same 1986 period.

The number of employed mothers continued to increase moderately. In the fourth quarter, the mother was employed in 60% of the families with children under 18 years old. The proportion of families with employed mothers ranged from 53% for those with preschoolers to 67% for those where the youngest child was school age.

Median wage and salary earnings of families advanced by 4.9% to reach $579 a week. The median for married-couple families was $647 a week, 5% more than a year earlier. The median for two-earner families (usually the husband and the wife) was $782 a week, 60% higher than that for families where the husband was the sole earner. Earnings of families maintained by women continued to be about half those of married-couple families.

Summary of Labor Force Characteristics of Families
(Quarterly averages, not seasonally adjusted)
(Numbers in thousands)

	Fourth Quarter	
	1987	1986
Total families	64,178	63,518
With employed member(s)	52,284	51,476
% of total families	81.5	81.0
With member(s) employed full time	48,354	47,420
% of total families	75.3	74.7
With own children under 18 years old	31,504	31,608
% with employed parent(s)	88.8	88.5
% with employed mother	60.5	59.3
% with total families	49.1	49.8
With own children under 6 years old	14,416	14,437
% with employed parent(s)	87.9	86.9
% with employed mother	52.9	51.7
% of total families	22.5	22.7
Married couple families	50,833	50,625
Some member employed	42,591	42,237
% of married couple families	85.1	85.1
Member employed: % of total		
Husband only	22.4	23.1
Wife only	4.7	4.9
Both	48.8	47.4
Families maintained by women*	10,703	10,450
% of all families	16.7	16.4
With at least one member employed	7,510	7,217
Householder only employed	3,837	3,759
% of families maintained by women	35.8	36.0
Families maintained by men*	2,642	2,444
% of all families	4.1	3.8

* no spouse present

Source: U.S. Bureau of Labor Statistics: Employment & Earnings Characteristics of Families: Fourth Quarter 1987

Employment Status of Families (continued)

Families With Wage & Salary Earners By Race & Median Weekly Earnings Annual Averages, 1987

	Families		
	Number (thous.)	Percent	Median Weekly Earnings
WHITE			
Total families with earners*	36,555	100.0%	$ 592
One earner	15,554	42.5	377
Two or more earners	21,001	57.5	761
Married couple families	30,095	100.0	647
One earner:**	11,385	37.8	416
Husband	8,784	29.2	485
Wife	1,946	6.5	231
Two or more earners	18,710	62.2	785
Husband & wife only	13,232	44.0	748
Families maintained by women	4,959	100.0	329
One earner	3,285	66.2	265
Two or more earners	1,674	33.8	518
Families maintained by men	1,501	100.0	492
One earner	884	58.9	373
Two or more earners	617	41.1	695
BLACK			
Total families with earners*	4,942	100.0%	412
One earner	2,452	49.6	253
Two or more earners	2,489	50.4	623
Married couple families	2,768	100.0	529
One earner:**	924	33.4	289
Husband	581	21.0	335
Wife	264	9.5	215
Two or more earners	1,843	66.6	675
Husband & wife only	1,318	47.6	646
Families maintained by women	1,822	100.0	284
One earner	1,305	71.6	228
Two or more earners	517	28.4	495
Families maintained by men	352	100.0	383
One earner	223	63.3	281
Two or more earners	129	36.7	544

* Excludes families where the husband, wife, or householder is self-employed.
**The one earner may be someone other than husband or wife.

Source: U.S. Bureau of Labor Statistics: Employment & Earnings Characteristics of Families: Fourth Quarter 1987

INCOME/WEALTH

Personal Income/Outlays

In real terms, when measured in a constant dollar value, American's after-tax incomes were up only 1.2% in 1987 compared with 1986, according to unrevised annual data on the Gross National Product issued by the Department of Commerce. This was the poorest showing since the recession in 1982. In 1986, disposable income was up 4.0% over 1985; in 1985 the annual increase was 2.9%. In 1982, however, real disposable income managed a rise of only 0.6%.

Real per capita disposable income was up a slight 0.3% in 1987 compared with 1986, following the 3.1% gain reported for 1986 over 1985. Consumer spending, after adjusting for inflation, rose just 1.8% last year, based on a preliminary Department of Commerce report. This was less than half the growth rate of the previous two years. Economists, in general, expect a low growth rate in consumer spending in 1988.

A high consumer debt burden and low personal savings rate have contributed to this outlook. In 1987, the savings rate at 3.8% of disposable income was the lowest since the 3.1% rate in 1947, and compares with the 4.3% rate in 1986. However, the rate in the 1987 fourth quarter was 4.8%, compared with 3.6% in the fourth quarter of 1986 and a rate of 2.8% in the 1987 third quarter. Consumers may have been spurred by the stock market crash to step up savings as the outlook for the economy darkened.

Fourth quarter 1987 revised figures issued by the Commerce Department show personal consumption expenditures at $3,019.2 billion (seasonally adjusted annual rate) in current dollars. This represented a gain of 0.3% compared with the rate reported for the third quarter and was 5.6% over the 1986 fourth quarter rate, in current dollars. Personal consumption (which accounts for two-thirds of the GNP fell by an inflation-adjusted 3.1% in the fourth quarter, according to Department of Commerce revised figures, after rising 5.4% in the third quarter of 1987. Spending on durable goods, those products intended to last more at least three years, fell a sharp 20.4%, while spending on nondurable goods declined 2.6%. Services, however, continued their growth, with gains in spending in real terms reported at 2.8% in the 1987 fourth quarter.

Unreported Income

The "underground economy" in the U.S. represents such a large slice of national income that it cannot be ignored. This is a huge amount of income that goes unreported to escape taxation, or criminal charges, or both. In current dollars, the amount of unreported cash going underground grew from an average of $52.2 billion a year in 1971-75 to an average of $370.7 billion a year in 1981-85, according to estimates compiled by James J. O'Leary, economic consultant to the United States Trust Co.

According to this source, the total reached a peak of $558.4 billion in 1984, dropping to $431.7 billion in 1985, due in part to stricter IRS requirements for banks and other financial institutions to report interest and dividends. Much of the unreported income comes from drug dealing, burglaries, illegal gambling and other criminal activities, but much of it is unreported or collected "off the books" in businesses and professions. The rapidly growing service sector has offered increasing opportunities to deal in cash.

Tax law changes starting in 1987 have been designed to pick up some of the heretofore unreported income.

INCOME/WEALTH

Poverty Status

A Census Bureau report based on the March 1987 Population Survey showed a total of 32.4 million persons classified as "in poverty"--a threshold determined each year to reflect changes in the Consumer Price Index which varies by family size and composition. For example, the average poverty threshold for a family of four in 1986 was $11,203, $10,989 in 1985.

Whites represented 69% of the 1986 poor; Blacks, 28%, and the remainder were persons of other races, principally Asians and American Indians. The poverty rate was 11% for Whites, 31% for Blacks, 16% for other races.

Personal Income/Outlay Profile

Personal Income by Source & Outlays: 1982, 1986, 1987
(Billions of current dollars, except where noted)

				% of Total		
	1987 (p)	1986 (r)	1980	1987	1986	1980
Personal income	$3,745.8	$3,543.3	$2,258.5	100.0%	100.0%	100.0%
Wages & salaries	2,212.7	2,089.1	1,372.0	59.1	59.1	60.7
Commodity-producing inds.	641.2	623.3	470.7	17.1	17.6	20.8
Manufacturing	484.0	470.5	355.6	12.9	13.3	15.7
Distributive industries	522.8	497.1	335.5	14.0	14.1	14.8
Service industries	627.3	573.9	305.6	16.7	16.2	13.5
Government & government enterprises	421.5	394.8	260.2	11.2	11.2	11.5
Other labor income	210.2	201.1	138.4	5.6	5.7	8.7
Proprietors' income*	327.8	289.8	180.7	8.7	8.2	11.3
Rental income of persons*	18.5	16.7	6.6	0.5	0.5	0.3
Personal dividend income	87.5	81.2	52.9	2.3	2.3	2.3
Personal interest income	515.8	497.6	271.9	13.8	14.1	12.0
Transfer payments**	543.0	518.3	324.7	14.5	14.7	14.4
Less: Personal contributions for social insurance	169.9	159.6	88.6	4.5	4.5	3.9
Personal tax & non-tax payments	564.7	512.2	340.5	15.1	14.5	15.1
Equals: Disposable personal income	3,181.1	3,022.1	1,918.0	84.9	85.5	84.9
Less: Personal outlays	3,060.9	2,891.5	1,781.1	81.7	81.8	78.9
Personal consumption expenditures	2,966.0	2,799.8	1,732.6	79.2	79.2	76.7
Interest paid by consumers to business	93.5	89.9	47.4	2.5	2.5	2.1
Personal transfer payments to foreigners (net)	1.5	1.7	1.1	#	#	#
Equals: Personal saving	120.2	130.6	136.9	3.2	3.7	6.1
Addenda:						
Disposable personal income:						
Total, billions of 1982 dollars	2,676.1	2,645.1	2,214.3	—	—	—
Per capita:						
Current dollars	13,048	12,508	8,421	—	—	—
1982 dollars***	10,976	10,947	9,722	—	—	—
Population (millions)	243.8	241.6	227.8	—	—	—
Personal saving as a % of disposable income	3.8%	4.3%	7.1%	—	—	—

(footnotes continued)

Personal Income/Outlay Profile

(footnotes from previous table)

(p) preliminary
(r) revised
* Inventory valuation and/or capital consumption adjustments are included.
** Transfer payments include old-age, survivors', disability and health insurance benefits; government insurance benefits, etc.
*** Disposable income in 1982 dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.
# Less than 0.1%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Per Capita Income

Per capita disposable income measured in 1982 dollars registered a slight gain of 0.3% in 1987 compared with 1986, following the 3.1% gain noted for 1986 over 1985. The rate of growth in real per capita disposable income over the years has been quite erratic, as noted below. The biggest year-to-year gain in recent years was in 1984 compared with 1983 (+4.9%).

The 1987 level represented a gain of about 13% compared with 1980. This rise may mask two important facts: much of the gain in per capita, as well as family income, can be attributed to the increase in two-earner households and there has been a major redistribution of income, with the highest income sector of the population claiming a larger share of income.

Per Capita Disposable Income: 1980-1987

Year	Current Dollars	1982 Dollars	Year-to-Year % Change in 1982 Dollars
1980	$ 8,421	$ 9,722	- 1.1%
1981	9,243	9,769	+ 0.5
1982	9,724	9,724	- 0.5
1983	10,340	9,930	+ 2.1
1984	11,257	10,419	+ 4.9
1985	11,872	10,622	+ 1.9
1986	12,508	10,947	+ 3.1
1987(p)	13,048	10,976	+ 0.3

(p) preliminary

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Money Income of Individuals

An advance report from the March 1987 Population Survey conducted by the Census Bureau covered details on individuals with income, as well as family income. This study showed that 94.2% of the population age 15 and over had money income in 1986, including 94.5% of the males and 90.2% of the females. This includes money income from all sources (earnings, interest, dividends, etc.).

Median Income of Persons Age 15 Years & Over By Selected Characteristics: 1986

(Numbers in thousands)

	Males		Females	
	No. With Income	Median Income	No. With Income	Median Income
Total	84,471	$ 17,114	87,822	$ 7,710
By race:				
White	73,827	18,060	75,587	7,760
Black	8,285	10,822	9,819	6,566
Hispanic	5,870	11,532	5,096	6,338
By region:				
Northeast	17,707	18,929	19,072	8,020
Midwest	20,640	17,438	21,957	7,265
South	28,818	15,466	29,523	7,286
West	17,306	18,302	17,270	8,180

Source: U.S. Bureau of the Census: Current Population Reports, Money Income & Poverty Status of Families & Persons in the U.S.: 1986 (Advance data from the March 1987 Current Population Survey) (P-60, No. 157)

Men in the 45-54 age group, accounting for 13% of covered males with incomes, are the most prosperous, having a median income of $27,756 in 1986 compared with the overall median for males reported at $17,114. As a group, these men had the highest concentration in the $50,000-and-up income bracket reported by age groups, (14.7%), and they represented 27% of all those in this income bracket.

The larger group, men 35-44 years of age which includes the leading edge of the baby boom generation, had the second highest median income -- $26,172. Within this group, 12.2% had incomes of $50,000 or more, representing about a third of covered males in this income bracket.

Among females age 15 years and over, the highest median -- $11,064 -- was reported for women age 35 to 44 years. This compares with the overall median of $7,610 for all covered females (and the median of $26,172 reported for men of this age). Few women have their own incomes of $50,000 or more (less than 1%). Women age 35 to 44 registered the biggest share, based on age groups, of those with incomes upwards of $30,000 (32.2%).

Money Income of Individuals (continued)

Number & Percent of Men & Women Age 15 Years & Over By Total Money Income: 1985
(Numbers in thousands)

		Age Groups (years)						
	Total	15-19	20-24	25-34	35-44	45-54	55-64	65 & over
MALES, total	89,368	9,193	9,499	21,141	16,529	11,151	10,277	11,578
With income	84,471	6,055	8,943	20,600	16,289	10,966	10,128	11,490
Under $10,000	25,605	5,682	4,805	4,140	2,343	1,564	2,204	4,865
$10,000-$19,999	21,890	329	2,997	6,663	3,221	2,008	2,591	4,088
$20,000-$29,999	15,854	30	893	5,169	3,944	2,405	2,058	1,355
$30,000-$49,999	15,032	12	224	3,770	4,763	3,366	2,137	761
$50,000 & over	6,090	3	21	856	2,018	1,633	1,137	432
Median income	$17,114	$1,929	$ 8,961	$19,162	$26,172	$27,756	$21,034	$11,544
Mean income	$21,822	$3,127	$10,464	$21,478	$29,709	$31,717	$26,809	$16,115
MALES, total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
With income	94.6	65.9	94.2	97.5	98.6	98.4	98.6	99.3
Under $10,000	28.7	61.8	50.6	19.6	14.2	14.1	21.5	42.1
$10,000-$19,999	24.5	3.6	31.6	31.6	19.5	18.0	25.3	35.3
$20,000-$29,999	17.8	0.5	9.4	24.5	23.9	21.6	20.1	11.7
$30,000-$49,999	16.9		2.4	17.9	28.9	30.2	20.8	6.6
$50,000 & over	6.9		0.3	4.1	12.2	14.7	11.1	3.8
FEMALES, total	97,320	8,994	9,859	21,494	17,103	11,866	11,606	16,398
With income	87,822	5,790	8,952	19,795	15,919	10,791	10,448	16,126
Under $10,000	51,553	5,583	6,035	9,646	7,369	5,250	6,152	11,525
$10,000-$19,999	22,051	191	2,434	6,112	4,463	3,039	2,557	3,257
$20,000-$29,999	9,486	11	414	2,873	2,561	1,636	1,126	867
$30,000-$49,999	3,899	3	57	1,022	1,250	716	480	371
$50,000 & over	834	--	10	144	276	151	135	116
Median income	$ 7,610	$1,854	$ 6,554	$10,310	$11,064	$10,380	$ 7,377	$ 6,425
Mean income	$10,741	$2,698	$ 7,954	$12,043	$13,710	$12,750	$10,905	$ 9,195
FEMALES, total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
With income	90.3	64.4	90.8	92.1	93.1	91.0	90.1	98.4
Under $10,000	53.0	62.1	61.3	44.9	43.1	44.3	53.0	70.3
$10,000-$19,999	22.7	2.2	24.7	28.5	26.1	25.7	13.5	19.9
$20,000-$29,999	9.8	0.2	4.2	13.4	15.0	13.8	9.7	5.3
$30,000-$49,999	4.0	0.1	0.6	4.8	7.3	6.1	4.2	2.3
$50,000 & over	0.9	--	0.1	0.7	1.7	1.3	1.2	0.7

Note: The number of civilian men with earnings from work was 68.7 million; their median earnings were $18,782. For women, comparable figures were 57.7 million, and $10,016.

Source: U.S. Bureau of the Census: Current Population Reports, Money Income & Poverty Status of Families & Persons in the U.S. (Advance data from the March 1987 Current Population Survey (P-60, No. 157)

Money income is highly concentrated among young adults. Based on Census data covering average incomes by age groups within the population over 15 years, 50.3% of male income was in the hands of men age 25 to 44 years. Comparable figures for women showed an estimated 48.4% of female income concentrated among women age 25 to 44 years.

Money Income of Individuals (continued)

Share of Total Income of Individuals Age 15 & Over By Sex & Age Group: 1986

(Numbers in thousands, income in billions of $)

	Men				Women			
	Number	%	Income	%	Number	%	Income	%
Total	89,868	100.0%	$1,843.4	100.0%	97,320	100.0%	$943.3	100.0%
With no income	4,897	6.0	--	--	9,498	9.8	--	--
With income	84,471	94.0	--	--	87,822	90.2	--	--
Age group: (years)								
15 - 19	6,055	6.7	18.9	1.0	5,790	5.9	15.6	1.7
20 - 24	8,943	10.0	93.5	5.1	8,952	9.2	71.2	7.5
25 - 34	20,600	22.9	442.4	24.0	19,795	20.3	238.4	25.3
35 - 44	16,289	18.1	483.9	26.3	15,919	16.4	218.2	23.1
45 - 54	10,966	12.2	347.8	18.9	10,791	11.1	137.6	14.6
55 - 64	10,128	11.3	271.5	14.7	10,448	10.7	113.9	12.1
65 & over	11,490	12.8	185.2	10.0	16,126	16.6	148.3	15.7

Source: Based on U.S. Bureau of the Census reports covering mean income for persons with income

Regional Distribution & Household Status of Individuals With Income: 1986

(Numbers in thousands)

	Men			Women		
	Number	%	Median Income	Number	%	Median Income
U.S. total	84,471	100.0%	$17,114	87,822	100.0%	$7,610
Northeast	17,707	21.0	18,929	19,072	21.8	8,020
Midwest	20,640	24.5	17,438	21,957	25.0	7,265
South	28,818	34.2	15,466	29,523	33.7	7,286
West	17,306	20.5	18,302	17,270	19.7	8,180
Household status:						
In families	70,125	83.1	17,477	70,489	80.3	6,941
Householder (head)	50,752	60.1	22,171	12,954	14.8	9,626
Spouse of householder	2,883	3.5	20,392	44,003	50.1	7,436
Other relative	16,490	19.6	5,344	13,531	15.4	4,181
Unrelated subfamilies	184	0.3	7,774	519	0.6	6,109
Unrelated individuals	14,163	16.8	15,653	16,814	19.2	10,443

Source: U.S. Bureau of the Census: Current Population Reports, Money Income & Poverty Status of Families & Persons In the U.S. (P-60, No. 157)

The Wealthiest Individuals

In 1986, the number of males (age 15 and over) with incomes of $50,000 or more totaled 6,090,000 (2,197,000 had incomes of $75,000 or more), according to the Census Bureau. Among females of this age, 834,000 had incomes of $50,000 and up; 255,000 were in the $75,000-and-over category.

INCOME/WEALTH

Household Income

The major source of money income of U.S. households is earnings from employment -- accounting for $78 of every $100, according to the Department of Commerce. The three other most important sources are interest, dividends and other asset income. Asset income provided about $8 out of every $100 received. Social Security provided about $7, and other pensions about $4; miscellaneous sources, $3 in 1985.

Total money income of the Nation's 89,479,000 households in 1986 had a median value of $24,897, a mean of $30,759 in current dollars. The median was 5.4% above the 1985 figure and a third higher than in 1980, in current dollars. The highest median income in 1986 was among households in the West -- $27,001; the lowest in the South -- $22,578.

Distribution of Households in March 1987 By Total Money Income By Region of the U.S. in 1986

(Numbers in thousands)

1987	U.S. Total	Northeast	Midwest	South	West
Total number	89,479	18,873	21,973	30,620	18,014
Money Income					
Under $10,000	17,130	3,430	4,164	6,618	2,918
$10,000-$14,999	9,854	1,743	2,407	3,742	1,962
15,000- 19,999	9,303	1,974	2,312	3,283	1,735
20,000- 24,999	8,617	1,758	2,163	3,019	1,676
25,000- 29,999	7,733	1,596	2,051	2,506	1,580
30,000- 34,999	7,078	1,421	1,821	2,356	1,480
35,000- 39,999	6,089	1,308	1,592	1,862	1,327
40,000- 49,999	8,667	1,936	2,146	2,781	1,804
50,000- 74,999	10,085	2,379	2,384	2,970	2,352
75,000 & over	4,922	1,327	932	1,484	1,179
Median income	$24,897	$26,494	$24,851	$22,578	$27,001
Mean income	30,759	32,982	29,645	28,846	33,040

Median Household Income By Age of Householder in 1986

(Number of households in thousands)

		Age of Householder*					
	Total	Under 25 Years	25-34	35-44	45-54	55-64	65 & Over
Total number of households	89,479	5,197	20,502	18,703	13,211	12,868	18,998
Median income	$24,897	$15,310	$25,898	$32,787	$35,660	$26,776	$13,845

* The householder is defined as the first person listed in whose name the home is owned or rented.

Source: U.S. Bureau of the Census, Current Population Reports Money Income & Poverty Status of Families & Persons in the U.S.: 1986 (Advance Data from the March 1987 Current Population Survey) (Series P-60, No. 157)

Household Income (continued)

Households headed by individuals 35 to 54 years of age are at the peak in earning power and total money income, and as noted in population growth data, this group will continue to increase as the baby boom moves along the age scale. The Conference Board estimates the group controls 45% of the Nation's personal income. Working wives are a major factor in this group's high income level.

In 1986, as noted above, the median income for households headed by individuals age 55 to 64 was about 8% above the median for all households. Moreover, this group's discretionary income -- that portion of household income available for personal consumption -- was 16% above the average, the highest of any age group.

Householders age 65 and older also have above-average discretionary income, although their median household income in 1986 was only $13,845. While low, this level is 18% higher, in constant dollars, than in 1980 -- representing better than three times the rate of increase for all households. Overall, the mature market represents more of the top of income scale than the bottom. Census Bureau data indicates only one-sixth of people living in poverty are age 55 or older; 25% of the 15 million U.S. households with an income of $50,000 or more in 1986 were headed by individuals age 55 or older.

Status of Children

The 1987 Current Population Survey taken by the Census Bureau showed about 26% of the children under 18 years of age, who were living with one or both parents, were in families with an income of $40,000 or more. This compares with 23% reported a year earlier.

Distribution By Family Income in 1986 Of Children Under 18 Years of Age Living With One or Both Parents

(Numbers in thousands)

	Total Under 18		Under 6 Yrs.		6 to 11 Yrs.		12 to 17 Yrs.	
Family Income	No.	%	No.	%	No.	%	No.	%
Number of children	61,143	100.0%	21,340	100.0%	19,591	100.0%	20,211	100.0%
Under $10,000	11,630	19.0	5,060	23.7	3,692	18.8	2,879	14.2
$10,000-$14,999	5,824	9.5	2,275	10.7	1,806	9.2	1,743	8.6
$15,000-$24,999	11,936	19.5	4,405	20.6	3,933	20.1	3,598	17.8
$25,000-$39,999	16,125	26.4	5,355	25.1	5,311	27.1	5,459	27.0
$40,000-$49,999	6,480	10.6	1,839	8.6	2,132	10.9	2,509	12.4
$50,000 & over	9,147	15.0	2,407	11.3	2,717	13.9	4,023	20.0
Mean income	$29,942		$26,250		$29,600		$34,172	

Source: U.S. Bureau of the Census, Current Population Reports,
Marital Status and Living Arrangements: March 1986
(Series P-20, No. 418)

INCOME/WEALTH

Income Distribution

A major study of family income distribution compiled by the Congressional Budget Office concludes that there has been a widening of the gap between high- and low-income families. Adjusting income to take account of inflation and changes in size of the American family, the study concluded that the median adjusted family income rose 20% between 1970 and 1986, chiefly due to the rise in the number of workers per family. Married couples with children were nearly twice as likely to have two full-time workers in 1986 as in 1970. However, single mothers with children and families headed by people under 25 years old were said to be worse off in 1986 than in 1970.

Overall, the median adjusted income of families in 1986, according to the Congressional Budge Office, attained the highest level on record in 1986 (specific dollar figures were not reported). For elderly families, the median adjusted income rose more than 50% from 1970 to 1986. By contrast, for families headed by people under 25 years old, the median dropped 18%.

Another Congressional Budget Office report, issued in November 1987, which analysed the impact of Federal taxes, found that the poorest one-tenth of Americans will pay 20% more of their earnings in Federal taxes next year than they did in 1977, while the richest will pay almost 20% less. The poorest 1% of taxpayers will see their share of income devoted to a Federal tax increase from 8% to 9.6%, a 20% rise, due in large part to increases in excise taxes and Social Security deductions. The wealthiest 10% will see Federal taxes take 25% of income in 1988, down from 26.7% a decade earlier, representing a 6.4% cut.

Tax changes are reinforcing the trend to an increasing share of income held by the wealthy. According to the Congressional Budget Office study, by the end of 1988, 80% of families will undergo a decline in adjusted income compared with 1977, but the richest 10% will see an average increase of 16%, the top 5% will average a 23% rise and the richest 1% will see their income grow by 50%. (The New York Times, November 12, 1987).

The tabulation of tax bite by age suggests that as the baby boom moves into middle age, not only will their income increase but so will their tax burden.

Based on the Current Population Survey in March 1987, the Census Bureau reported that the top fifth of families in terms of income accounted for 43.7% of aggregate income in 1986; the top 5% had a 17% share.

Share of Aggregate Income in 1986 of Families & Unrelated Individuals
Total & By Region

		Percent Distribution of Aggregate Income						
	Number (thous.)	Lowest Fifth	Second Fifth	Third Fifth	Fourth Fifth	Top Fifth	Top 5%	Mean Income
Families								
Total	64,491	4.6%	10.8%	16.8%	24.0%	43.7%	17.0%	$34,924
Northeast	13,367	4.9	11.2	16.9	24.0	43.1	16.5	38,089
Midwest	15,844	4.9	11.5	17.4	24.1	42.0	15.9	33,891
South	22,536	4.3	10.2	16.4	24.0	45.1	17.9	32,714
West	12,744	4.8	10.9	16.8	24.9	4[illegible]	16.9	36,799

(continued)

INCOME/WEALTH

Income Distribution

Share of Aggregate Income in 1986 of Families & Unrelated Individuals
Total & By Region
(continued)

	Number (thous.)	Percent Distribution of Aggregate Income						Mean Income
		Lowest Fifth	Second Fifth	Third Fifth	Fourth Fifth	Top Fifth	Top 5%	
Unrelated Individuals								
Total	31,679	3.5	8.8	15.2	24.5	48.1	19.1	16,030
Northeast	6,766	4.0	8.7	15.0	24.1	48.2	20.1	17,086
Midwest	7,578	3.8	9.1	15.4	24.5	47.2	18.3	15,300
South	10,023	3.3	8.5	15.0	24.2	49.0	19.4	14,735
West	7,312	3.2	9.0	15.7	25.1	47.0	18.0	17,586

Source: U.S. Bureau of Census, Current Population Reports
Money Income & Poverty Status of Families & Persons in the U.S.: 1986 (Advance Data form the March 1987 Current Population Survey)
(Series P-60, No. 157)

The Census Bureau has issued a detailed report on many aspects of wealth distribution in their report, *Household Wealth & Asset Ownership: 1984*. Among the findings in this report, based on a survey conducted in September through December 1984, households with a monthly income of $4,000 or more from all sources by all household members controlled 38% of net worth (wealth).

Median Net Worth By Income & Distribution of Net Worth,
By Monthly Household Income
(Excludes Group Quarters)

Monthly Household Income	No. of Households (thousands)	Median Net Worth	Distribution of Net Worth
Total	86,790	$ 32,677	100.0%
Less than $900	22,297	5,080	9.7
$900 to $1,999	26,599	24,647	20.5
$2,000 to $3,999	27,173	46,744	31.8
$4,000 or more	10,270	123,474	38.0

Source: U.S. Bureau of the Census, Current Population Reports
Household Economic Studies (Series P-70, No. 7)

In the aftermath of the stock market crash in October 1987, attention of economists and marketers is focused on the extent to which consumers will be affected by what is termed a "negative wealth effect", bringing on a recession. Some of the past gains in consumer spending were reflections of optimism based on the strong equity market, even though the above noted study of income distribution indicated that only 20% of the U.S. households owned any stocks or mutual funds, and these represented 6.8% of all households' net worth.

INCOME/WEALTH

According to Lawrence Sommers of Harvard University (The Sommers Letter) a one point rise in the Dow equaled about $1.3 billion in realized and unrealized capital gains for the household sector, creating over $1.5 trillion of wealth in the past five years, while rising paper wealth increased consumption by 3 cents to 6 cents for each dollar of appreciation. Much of this wealth, and gains in consumer spending attributable to the "wealth effect" vanished with the 500 point drop in the Dow. However, the impact may be mitigated by what is called a "confidence building effect" of such upbeat developments as a reduction in the deficit, lower interest rates, a stable economy, etc.

CREDIT/DEBT/PAYMENTS

The level of consumer debt, as well as the low savings rate averaged in recent years, are aspects affecting the current consumer market, as well as confidence levels affected by prospects of growth in personal income and developments in the economy.

In December 1987, consumer debt rose by $4.5 billion, the biggest monthly gain in three months, according to the Federal Reserve Board. This placed total consumer debt at $612.57 billion, up 6% from the end of 1986. The annual rate of increase in December was 8.8%; for 1987 as a whole, installment credit advanced 6% (compared with a 10.5% rise in 1986). Automobile and revolving credit categories rose faster -- at rates of 11.7% and 19.4%, respectively, in December 1987.

The Federal Reserve Board has made a detailed analysis of methods of payment utilized by American families in 1986, with data on methods used by selected family characteristics. Details on this study are published in the Federal Reserve Bulletin (March 1987). This followed a similar study covering 1984.

Methods of Payment as a Percentage of Aggregate Household Expenditures

	1986	1984
Main checking account	39%	45%
Other checking account	9	7
Savings/MMA	8	10
Cash	34	30
Credit cards	8	7
Money orders	2	1
Total	100%	100%

Source: Federal Reserve Board

CONSUMER PRICES

The Consumer Price Index for all urban consumers, measured by the Bureau of Labor Statistics, Department of Labor, at the end of 1987 was up 4.4% over the level at the end of 1986. Much of the increase was attributed to the declining value of the dollar which makes imported products more expensive (apparel prices were up 4.9%). But above-average increases were also reported for medical care, transportation, and services. Wholesale prices in 1987 averaged 2.2% higher in 1987 than in 1986, but the trend appeared to be upward as we entered 1988. Domestic producers appear to be raising prices in the wake of higher import prices, and many are also paying for imported components, machinery and equipment.

The Government's implicit price deflator covering personal consumption expenditures was up 4.0% in 1987 compared with 1986, after a 2.2% rise in 1986, a gain of 3.4% in 1985; 3.8% in 1984. This measurement, by the Bureau of Economic Analysis, takes into consideration changes in consumption patterns, and covers all spending.

CONSUMER SPENDING

Preliminary figures on personal consumption expenditures for all goods and services in 1987 were reported at $2,966.0 billion in current dollars, up 5.9% compared with 1986, and representing 66% of the Gross National Product both years.

In 1982 dollars, eliminating the effects of inflation, personal consumption expenditures in 1987 were up only 1.8%. This compares with real growth of 4.15% recorded for 1986, and 4.6% in 1985 compared with 1984.

Personal Consumption Expenditures By Major Classifications: 1983-1987
(Billions of current dollars)

	1987	1986	1985	1984	1983
Total personal consumption expenditures	$2,966.0	$2,799.8	$2,629.4	$2,430.5	$2,234.5
Durable goods, total*	413.9	402.4	368.7	335.5	289.1
Motor vehicles & parts	194.5	194.9	177.6	157.4	130.4
Furniture & household equip.	146.3	139.9	128.7	118.8	107.1
Other	73.1	67.6	62.4	59.3	51.6
Nondurable goods, total	980.4	939.4	913.1	867.3	816.7
Food	514.5	497.8	472.8	448.5	421.9
Clothing & shoes	176.5	167.5	157.2	146.7	135.1
Gasoline & oil	79.9	75.3	92.6	90.0	90.2
Other	209.6	198.8	190.5	182.1	169.5
Services	1,571.6	1,458.9	1,347.5	1,227.6	1,128.7

* Durable goods have an expected span of use of at least three years.

Source: U.S. Bureau of the Census

The Bureau of Labor Statistics conducts annual surveys of Consumer Expenditures which are designed to measure differences in U.S. household spending patterns since 1979, based on income levels, age of householder, size of household, income levels, etc.

CONSUMER SPENDING

Detailed information on personal consumption expenditures are compiled annually by the Bureau of Economic Analysis, U.S. Department of Commerce. The latest available report covering 1986, with comparisons for earlier years, is summarized in the following table.

The following covers the value at retail of all goods (new and used) reaching the consumer through any channel, i.e. retail outlets, premiums, direct sale by manufacturers and wholesalers, raffles, fairs, etc.

Personal Consumption Expenditures by Selected Product Categories: 1983-1986

	Billions of Current Dollars (add 000,000)			
	1986(p)	1985(r)	1984(r)	1983(r)
Total disposable personal income	$2,971.6	$2,828.0	$2,670.6	$2,428.1
Total personal consumption expenditures	2,799.8	2,629.4	2,430.5	2,234.5
Durable goods	402.4	368.7	335.5	289.1
Nondurable goods	939.4	913.1	867.3	816.7
Services	1,458.0	1,347.5	1,227.6	1,128.7
Selected Expenditures				
Food & non-alcoholic beverages, total*	497.8	472.8	448.5	421.9
Purchased for off-premise consumption	333.3	320.6	305.8	290.4
Purchased meals & beverages (on-premise consumption)	155.2	143.2	134.1	123.5
Tobacco products	34.2	32.0	30.5	28.2
Alcoholic beverages (for on & off-premise consumption)	59.0	56.2	52.9	52.2
Toilet articles & preparations	24.2	23.0	21.9	20.3
Barbershops, beauty parlors, health clubs, spas	17.2	15.8	14.5	13.8
Drug preparations & sundries (not incl. products dispensed by doctors, hospitals, etc.)	29.7	27.9	26.3	24.4
Clothing & accessories, not incl. standard military clothing, jewelry or footwear (Luggage is included)	142.8	133.9	125.0	114.7
Women's, girls', infants'	96.4	90.2	83.6	76.3
Women's (age 16 & over) (e)	76.0	71.1	65.9	60.2
Girls', children's (e)	20.4	19.1	17.7	16.1
Men's & boys'	46.4	43.7	41.4	38.4
Men's (e)	37.5	35.3	33.5	31.0
Boys' (e)	8.9	8.4	7.9	7.4
Footwear, total	24.6	23.2	21.6	20.2
Men's (e)	7.5	7.0	6.5	6.1
Women's (age 16 & over) (e)	12.1	11.5	10.7	10.0
Boys', girls' (e)	5.0	4.7	4.4	4.1
Jewelry & watches	23.5	20.8	19.9	18.0
Wheel goods, durable toys, sports equip. boats, etc.	27.0	25.9	24.8	20.4
Nondurable toys & sport supplies	21.8	20.9	19.7	18.0
Books & maps	8.7	8.2	7.8	7.2

(continued)

Personal Consumption Expenditures by Selected Product Categories: 1983-1986
(continued)

	Billions of Current Dollars (add 000,000)			
	1986(p)	1985(r)	1984(r)	1983(r)
Homefurnishings, total **	154.6	142.7	132.2	119.5
Furniture & bedding (springs, mattresses, etc.)	30.6	28.1	26.5	23.8
Major appliances, electric housewares	24.7	23.5	21.6	19.6
Dinner & tableware, glassware, utensils	13.4	12.8	12.2	11.2
Other durable housefurnishings #	30.3	28.3	27.1	24.4
Semi-durable housefurnishings ##	14.8	13.9	13.3	12.3
Home entertainment (TV, radios, records, musical instruments, etc.)	40.8	36.1	31.5	28.2
Household supplies (cleaning, lighting, paper products, etc.)	27.3	26.2	25.1	23.6

	% TO TOTAL DISPOSABLE INCOME			% TO TOTAL EXPENDITURES		
Selected Expenditures	1986(p)	1985(r)	1984(r)	1986(p)	1985(r)	1984(r)
Total expenditures	94.2%	93.0%	91.0%	100.0%	100.0%	100.0%
Durable goods	13.5	13.0	12.6	14.4	14.0	13.8
Nondurable goods	31.6	32.3	32.5	33.6	34.7	35.7
Services	49.1	47.6	46.0	52.1	51.2	50.5
Selected Products						
Food & non-alcoholic beverages, total	16.8	16.7	16.8	17.8	18.0	18.5
Food & beverages for off-premise consumption	11.2	11.3	11.5	11.9	12.2	12.6
Toilet articles & preparations	0.8	0.8	0.8	0.9	0.9	0.9
Footwear	0.8	0.8	0.8	0.9	0.9	0.9
Clothing & accessories, total	4.8	4.7	4.7	5.1	5.1	5.1
Women's, girls', infants'	3.2	3.2	3.1	3.4	3.4	3.4
Men's, boys'	1.6	1.5	1.6	1.7	1.7	1.7
Homefurnishings, total	5.2	5.0	5.0	5.5	5.4	5.4

Note: Columns may not add to totals shown due to rounding of figures and/or expenditure categories included in totals but not separately reported.

(p) preliminary (r) revised
(e) estimated based on revised weightings reported by the Bureau of Labor Statistics

* Includes expenditures not separately shown, such as the value of food furnished to government and commercial employees, including military, food produced and consumed on farms, etc.

(footnotes continued)

** The retail value of all types of homefurnishings (appliances, floor coverings, etc.) supplied by builders in new privately-owned housing units are included in personal consumption expenditures. However, such items supplied in rental apartments or other-than privately-owned housing are not included.

Principal furnishings included in "other durable housefurnishings" are floor coverings, blankets, comforters, pillows, picture frames, mirrors, art products, lamps, clocks, writing equipment, hand and power tools. (A durable product is defined as having a useful life of three years or more; nondurables, a useful life of less than three years).

Consists mainly of textile homefurnishings except where elsewhere classified, including piece goods for homefurnishings. Also included are lamp shades, brooms and brushes.

Source: Based on reports from the Office of Business Economics,
U.S. Department of Commerce

Housing Sales/Ownership

An important aspect of the consumer market is the level of home ownership. The National Association of Realtors estimates that about 3.5 million single-family dwellings in the suburbs were sold in 1987 for a total of $371 billion. This represents the cream of the housing market, made up to a large extent by sales to young families. In the longer term, as the baby-boom generation moves into their 40s and 50s, turnover of housing is expected to be reduced.

In 1987, sales of new homes fell 10.1% below their 1986 level, according to the Department of Commerce. Sales of single-family homes totaled 674,000 units in 1987, down from an eight-year high of 750,000 in 1986. Higher mortgage rates and a slowdown in demand after five strong years of sales were cited as causes for the current decline. Rising home prices, particularly in the Northeast, also dampened demand. Affordability will be a major factor in the 1988 outlook, along with mortgage rates. The median price of a new home in December 1987 was $108,900, down from $117,000 in November.

A Federal Reserve Board study (Federal Reserve Bulletin, December 1987) showed that mortgage costs for a standard-quality new home, which had reached as high as 45% of mean household disposable income during the early 1980s, fell to about 20% in early 1987. However, the National Association of Home Builders' surveys indicated that the proportion of first-time buyers among all new home buyers declined from about 40% in 1984 to about 36% in the first quarter of 1987, primarily due to the high cost of homes.

Rates of Homeownership, by Age of Household Head
Selected Years, 1981-1987

Age (years)	1987*	1985	1981
Under 30	29.0	29.8	34.4
30 to 39	58.3	58.8	63.1
40 to 64	76.3	75.0	77.3
65 or more	75.1	75.0	73.9
All	63.8	63.9	65.4

* First half

Source: Bureau of the Census (Federal Reserve Bulletin,
December 1987)

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS: Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS: An overview of all facets of the consumer market. Within the framework of population and income groups, the markets for children's products, for young adults and for the mature are defined in terms of numbers and buying power. Trends and projections are included as well as an analysis of developments that are shaping the U.S. consumer market -- living arrangements, households, working women, marriage and birth rates, etc. Trends in personal consumption expenditures are also covered.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1987 Edition): Updates information in the 1986 Edition on department and apparel specialty store sales (not including discount operation) for stores (buying headquarter locations) listed by state within the four major geographical regions of the U.S. Information on the number of stores in operation is included, as well as on plans to open stores, if available. Available data on sales of branch stores is included. Additional features include: An alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest available sales figures; a listing and sales figures for traditional department stores which have sales volumes published, or estimated, of $50 million or more in 1986; a list of conglomerates operating traditional department and apparel stores, including the names and locations of these stores.

DRESSES & CAREER APPAREL (WOMEN'S, MISSES' AND JUNIORS'): At the manufacturer level, provides a statistical profile of the dress industry and the products made within this industry, including dresses, career apparel, pants dresses, ensembles, etc. Includes number and size of manufacturers, production and value of shipments, industry location and trends in employment levels. Analyzed is the growing impact of imports on total growth in the size of the consumer market, based on population counts, working women by type of occupation, and more.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc. to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported, as well as summaries of available studies on consumer buying preferences.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS') (1987 Edition): Updates the 1986 edition with figures on U.S. manufacturers production and shipments by type of footwear. Also detailed statistics on imports and their impact on total U.S. market supply. Analyses industry trends and performance of major resources and retailers. Spotlights developments in the athletic footwear industry and consumer market. At the retail level, information is included on sales trends and merchandising results for shoe stores and for footwear departments in department stores; as well as consumer purchase patterns.

HOME TEXTILES & RELATED PRODUCTS: Includes the latest statistics on the U.S. industry, including manufacturers wide variety of products -- bed linens, towels, blankets, comforters, slip covers, pillows, curtains/draperies and hardware, shades, and blinds. Covers the changing competitive nature of the industry through acquisitions of major producers and through consolidation of buying power at the retail level. Includes information on production, shipments and retail sales.

HOSIERY/LEGWEAR/BODYWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A comprehensive report on mills making hosiery and related products, including production and shipments, fiber consumption, producer price trends. The growing trend in imports is also covered. At the consumer level, the size of the potential market is measured in terms of population counts and projections and estimates are included on retail sales of major products by type of retail outlet.

HOUSEHOLD FURNITURE AND BEDDING: Provides an overall view of market trends in the U.S. For the U.S. industry, the report covers statistics on manufacturers, on production and shipments in terms of quantity and value by type of furniture. Trends in the concentration levels in the U.S. industry are reported, as well as in employment and earnings in the industry. Also included is information on the industry in leading states. Consumer market information includes data on characteristics of new housing units (number of rooms); also trends in consumer expenditures for furniture, sales by type of outlet. Details on furniture stores, including the 25 leaders, are also covered.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores. The potential market for work/career apparel is defined in data on trends in employment of men by occupation.

MEN'S SPORTSWEAR, CASUALWEAR, OUTERWEAR: The wide variety of men's wear items included are covered from available statistical information on the industry at the manufacturer, retailer and consumer levels. Included is information on production and shipments by domestic producers, imports and exports. The retail market is covered in sales estimates and data on major outlet types, as well as studies of consumer buying practices.

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FACT FILE

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Fairchild Publications, New York

Household Furniture and Bedding

FAIRCHILD FACT FILE

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HOUSEHOLD FURNITURE & BEDDING

Market Trends

The furniture industry showed good results in 1987, a performance which is unlikely to be repeated in 1988. Constant-dollar personal consumption expenditures on furniture increased 5.8 percent in the first half of 1987, and furniture store retail sales, (not adjusted for inflation) were up 10 percent, according to the Industrial Outlook. Furniture manufacturers continued to report record sales and earnings for 1987 despite disappointing results in the fourth quarter due to consumer lethargy and slow economic growth. The American Furniture Manufacturers Association projects retail sales of major types of furniture to reach about $27.7 billion in 1987. Domestic shipments totaled over $17 billion in 1987 compared with $16.7 billion in 1986.

In furniture retailing, the major trend is toward gallery programs: exclusive displays of a particular company's line of furniture with promotional support from the manufacturer. Galleries can either be independent outlets, such as Ethan Allen's, or displays in furniture or department stores. A survey found that there were 2,400 installed galleries at the end of 1986, and manufacturers expected that number would increase to 5,700 by 1991. Manufacturers also reported an expected increase of shipments generated by gallery programs to increase from 21% in 1986 to 43% in 1991.

The increasing competition for floor space will require U.S. producers to provide more merchandising and sales support to retailers, as well as increasing the use of on-line computer systems to keep close tabs on inventories.

Individual product items will sell well as consumers can better afford to acquire one piece than a whole roomful of furniture. Specialty manufacturers such as La-Z-Boy (recliners) and Dresher (beds) should perform best in such an environment. Those manufacturers with products at a cross section of price points and brand names should also do well such as LADD and Bassett, according to Wheat First Securities.

Knockdown, ready to assemble furniture rang up less than $2 billion in sales in 1987, a modest amount compared to the $27.7 billion in furniture sales. This category, however, has been rapidly expanding. While RTA claims only 4 to 7% of the market, sales nearly doubled in the past 5 years, according to industry observers.

On the other hand, furniture rented to householders generated upwards of $500 million in revenues in 1985, more than double the sales a decade ago, according to the Furniture Rental Association of America.

A dearth of new products is an indication of consolidation in the industry. Major cuts, up to 15%, have been made in manufacturers' lines. There has been a realignment of resources and products, with offshore suppliers losing square footage as import prices soar, and retailers are seeking domestic sources. Heavier use of controlled distribution has led to suppliers dropping dealers, according to Wheat First Securities. Manufacturers, such as Thomasville, no longer service certain retailers because of limitations in productive capacity. Retailers are rotating galleries to find best sellers and major chains are now trying the gallery concept.

Market Trends (continued)

In bedding, the International Sleep Products Association (ISPA) predicts unit volume will slip 1% in 1988, and the industry's dollar value is projected to increase about 3%. Unit sales of adult size mattresses and foundations is expected to rise about 4.3% in 1987, and sales in dollars will increase by 5.8%. The industry sold 12.8 million innerspring mattresses, which account for more than 90% of conventional mattress sales.

Increased interest in daybeds has been noted, with new materials and finishes changing the complexion of a traditional industry with Victorian roots. Sleep sofas are being used more than 40 days out of the year and manufacturers are upgrading their lines by emphasizing thicker and longer mattresses.

The ISPA is currently running a campaign to encourage consumers to replace mattresses after 8 to 10 years. Research has shown that 75% of old mattresses are kept in circulation. By reducing the length by just one year the industry would achieve a dramatic 6% increase.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

Industry Shipments

An analysis of trends in the furniture and bedding industry compiled by the International Trade Administration, U.S. Department of Commerce, in the third quarter of 1987, is included in the 1988 U.S. Industrial Outlook.

The ITA estimated industry shipments (which include all products--both primary and secondary--made in plants in the specified industry classification, plus miscellaneous receipts and contract work) at $17.9 billion for 1987, an increase of 7.0% over 1986. Eliminating the effects of inflation, real growth in furniture and bedding industry shipments was estimated at 4.5% in 1987, and is expected to slow to 1% in constant dollars for 1988.

Estimated Value of Furniture Industry Shipments, 1986, 1987
(Millions of dollars)

	Current Dollars		Constant (1982) Dollars		% Change 1987/1986	
	1987	1986	1987	1986	Current Dollars	Constant Dollars
Value of industry shipments, total	$17,855	$16,692	$15,729	$15,051	+ 7.0%	+ 4.5%
Wood household furniture	7,675	7,117	6,482	6,173	+ 7.8	+ 5.0
Upholstered household furniture	5,067	4,758	4,532	4,337	+ 6.5	+ 4.5
Metal household furniture	2,088	1,945	1,974	1,901	+ 7.4	+ 3.8
Mattresses & bedsprings	2,176	2,043	1,962	1,886	+ 6.5	+ 4.0

GENERAL INDUSTRY STATISTICS

Industry Shipments (continued)

Value of Furniture Industry Shipments Forecast: 1988/1987
(Millions of dollars)

	Constant Dollars	% Change 1988/1987
Value of shipments, total	$15,889	+ 1.0%
Wood household furniture	6,546	+ 1.0
Upholstered household furniture	4,600	+ 1.5
Metal household furniture	1,984	+ 0.5
Mattresses & bedsprings	1,972	+ 0.5

Note: The total value of shipments includes household furniture not elsewhere classified.

Source: U.S. Department of Commerce, International Trade Administration
1988 U.S. Industrial Outlook

A complete census of all manufacturers in the U.S. is compiled every five years by the U.S. Bureau of the Census. The latest census covered the year 1982. During intercensal years, the Bureau conducts annual surveys using a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity.

The value of industry shipments (as previously defined) were up in all covered segments of the furniture industry in 1985 compared with 1984, except for TV/radio cabinets made of wood. Bedding plant shipments (mattresses and springs) were down 1.8%.

Profile of the U.S. Furniture & Bedding Manufacturing Industry 1982, 1984, 1985

Wood Household Furniture (SIC 2511*)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	2,430	na
Number of establishments, total**	2,453**	2,370**	2,607	+ 3.5%
Number with 20 or more employees	845**	858**	833	- 1.5
Employees, total (thous.)	133.2	134.9	125.6	- 1.3
Production workers (thous.)	115.9	118.1	109.2	- 1.9
Payroll (mil. $) (production workers)	$1,748.8	$1,717.9	$1,402.7	+ 1.8
Value added by manufacture# (mil. $)	3,526.7	3,459.0	2,715.0	+ 2.0
Value of industry shipments## (mil. $)	6,727.6	6,613.2	5,056.6	+ 1.8
Capital expenditures, new (mil. $)	151.6	138.7	119.1	+ 9.3

Upholstered Household Furniture (SIC 2512*)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	1,129	na
Number of establishments, total**	1,136	1,146	1,227	- 7.4%
Number with 20 or more employees	607	616	602	- 1.5
Employees, total (thous.)	76.0	76.5	70.6	- 0.7
Production workers (thous.)	64.3	64.8	59.8	- 0.8
Payroll (mil. $) (production workers)	$1,166.9	na	$ 849.9	na
Value added by manufacture# (mil. $)	2,193.0	2,108.7	1,745.3	+ 4.0
Value of industry shipments## (mil. $)	4,550.7	4,362.7	3,505.3	+ 4.3
Capital expenditures, new (mil. $)	60.1	64.1	57.2	- 6.3

Metal Household Furniture (SIC 2514*)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	413	na
Number of establishments, total**	421	427	454	- 7.3%
Number with 20 or more employees	218	217	205	+ 6.3
Employees, total (thous.)	27.2	27.6	27.0	- 1.5
Production workers (thous.)	22.4	22.8	21.5	- 1.8
Payroll (mil. $) (production workers)	$ 420.5	$ 406.8	$ 362.4	+ 3.4
Value added by manufacture# (mil. $)	885.3	893.2	807.0	- 0.9
Value of industry shipments## (mil. $)	1,828.9	1,796.2	1,590.7	+ 1.9
Capital expenditures, new (mil. $)	36.9	38.5	25.4	- 4.2

(continued)

GENERAL INDUSTRY STATISTICS

Profile of the U.S. Furniture & Bedding Manufacturing Industry
1982, 1984, 1985
(continued)

Mattresses & Bedsprings (SIC 2515*)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	786	na
Number of establishments, total**	863	878	902	- 4.3%
Number with 20 or more employees	349	342	336	+ 3.9
Employees, total (thous.)	21.1	25.0	25.4	-15.6
Production workers (thous.)	15.3	18.6	19.0	-17.8
Payroll (mil. $) (production workers)	$ 369.7	$ 358.9	$ 357.4	+ 3.0
Value added by manufacture# (mil. $)	856.3	860.8	882.4	- 0.6
Value of industry shipments## (mil. $)	1,920.9	1,956.3	1,935.4	- 1.8
Capital expenditures, new (mil. $)	27.6	29.2	25.0	- 5.5

Wood TV & Radio Cabinets (SIC 2517*)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	82	na
Number of establishments, total**	72	79	83	-13.3%
Number with 20 or more employees	35	37	37	- 5.4
Employees, total (thous.)	7.2	7.6	7.0	- 5.3
Production workers (thous.)	6.2	6.6	5.9	- 6.1
Payroll (mil. $) (production workers)	$ 98.9	$ 103.7	$ 88.6	- 4.7
Value added by manufacture# (mil. $)	177.2	191.3	152.1	- 7.4
Value of industry shipments## (mil. $)	364.4	393.2	306.6	- 7.4
Capital expenditures, new (mil. $)	9.5	16.5	7.3	-43.1

Household Furniture Not Elsewhere Classified (SIC 2519*)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	196	na
Number of establishments, total**	185	180	202	- 8.4%
Number with 20 or more employees	59	68	63	- 6.4
Employees, total (thous.)	7.0	7.5	7.4	- 6.7
Production workers (thous.)	5.9	6.3	6.0	- 6.4
Payroll (mil. $) (production workers)	$ 105.4	$ 114.1	$ 100.7	- 7.7
Value added by manufacture# (mil. $)	188.6	185.7	153.3	+ 1.6
Value of industry shipments## (mil. $)	445.7	423.4	381.1	+ 5.3
Capital expenditures, new (mil. $)	12.2	13.4	11.9	- 9.0

(see footnotes on next page)

na not available

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, as shown below:

SIC 2511 comprises establishments primarily engaged in manufacturing wood household furniture used in dwellings, not including upholstered pieces, but including infants' and children's wood furniture and wood outdoor furniture.

SIC 2512 comprises establishments primarily manufacturing upholstered furniture on wood frames.

SIC 2514 covers establishments primarily engaged in manufacturing metal household furniture, padded or plain, but not dual-purpose sleep furniture.

SIC 2515 comprises manufacturers of mattresses (innerspring, box, etc.) and dual-purpose sleep furniture (studio couches, sofa beds, chair beds). This industry is referred to as the "Bedding Industry" in this Fact File.

SIC 2517 comprises manufacturers of wood TV, radio, phonograph and sewing machine cabinets.

SIC 2519 comprises establishments primarily manufacturing reed, rattan, and other wicker furniture, plastic and fiberglass household furniture and cabinets, and household furniture not elsewhere classified.

** An establishment covers a plant with one or more employees. It is a single physical location where manufacturing is performed and is classified on the basis of its major product in the specific year covered--which might change from one year to another. (Figures on number of establishments for 1984, 1985 are from the Census Bureau's "County Business Patterns" reports.)

Value added by manufacture is derived by subtracting the cost of finished products, materials, supplies, fuel, contract work, etc., from the value of shipments (including resales of finished products) plus the net change in the value of finished products and work-in-process inventories between the beginning and end of the year, without adjustment for price changes.

## Value of industry shipments represents the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes, and includes both products described as primary to the industry as well as secondary products and miscellaneous receipts. This value should be clearly distinguished from the total value of furniture and bedding manufactured by all producers, including those classified in other industries. This total product value is shown in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures, MC82-I-25A;
Annual Survey of Manufactures, 1985

GENERAL INDUSTRY STATISTICS

Employment & Earnings

Information on employment is compiled by both the Department of Commerce (annual figures) and by the Department of Labor, Bureau of Labor Statistics (monthly and annual). The methodology used by these sources differs somewhat, leading to slightly different employment totals in some instances.

In the 1988 Industrial Outlook, compiled by the Department of Commerce in the third quarter of 1987, a 2.7% increase in employment in the household furniture industry was expected for the year 1987. As of September 1987, the BLS reported production worker employment up 8.3% compared with the same month a year ago in the upholstered furniture industry, while the number of production workers in wood household furniture was up 3.9%. (1987 annual averages on employment and earnings will be issued by the BLS in March 1988.)

Employment & Earnings in the Household Furniture & Bedding Industry: 1985, 1986, September 1987

	September			Annual Average		
	1987(p)	1986	% Change 1987/86	1986	1985	% Change 1986/85
Wood household furniture:						
Total employees (thous.)	136.8	131.7	+ 3.9%	131.1	132.3	- 0.9%
Production workers (thous.)	119.4	115.0	+ 3.9	114.3	115.3	- 0.9
Average weekly earnings	$259.52	$255.60	+ 1.6	$251.46	$236.34	+ 6.4
Average weekly hours	39.5	40.0	- 1.3	39.6	39.0	+ 1.6
Upholstered household furniture:						
Total employees (thous.)	101.0	94.1	+ 7.4	93.2	91.6	+ 1.8
Production workers (thous.)	84.8	78.3	+ 8.3	77.3	75.2	+ 2.8
Average weekly earnings	$306.94	$300.20	+ 2.3	$287.62	$272.31	+ 5.7
Average weekly hours	39.1	39.5	- 1.1	38.4	38.3	+ 0.3
Metal household furniture:						
Total employees (thous.)	25.2	24.6	+ 2.5	26.3	26.8	- 1.9
Production workers (thous.)	20.3	19.9	+ 2.1	21.4	21.6	- 1.0
Average weekly earnings	$296.21	$290.88	+ 1.9	$279.90	$270.75	+ 3.4
Average weekly hours	39.6	40.4	- 2.0	40.1	39.7	+ 1.0
Mattresses & bedsprings:						
Total employees (thous.)	31.8	30.1	+ 5.7	29.6	29.6	--
Production workers (thous.)	24.5	23.1	+ 6.1	22.6	22.5	+ 0.5
Average weekly earnings	$310.40	$301.02	+ 3.2	$282.08	$273.74	+ 3.1
Average weekly hours	40.0	40.9	- 2.2	38.8	38.5	+ 0.8

(p) preliminary

Source: U.S. Bureau of Labor Statistics, Employment & Earnings

GENERAL INDUSTRY STATISTICS

Concentration in the Industry

With the rapid acceleration of imports in the 1980s, increased competition, and a growing variety of consumer durables, the furniture industry, which had been highly fragmented into predominantly small operations, has undergone a change. Large companies, utilizing advanced technology and greater marketing expertise, now dominate. Manufacturing operations have been consolidated to achieve greater economies of scale in purchasing, production, and marketing. Large holding companies with several branded furniture lines are expected to develop, as well as continued growth of large firms. A trade source has estimated that the top 10 furniture manufacturers increased their share of the market from 23% in 1985 to 28% in 1986.

Shipments by plants with 110+ employees represented an increased share of total industry shipments in 1986 over 1984 due to the closing of smaller plants. For example, large upholstered household furniture plants held a 69% share of industry shipments in 1984, rising to 79% in 1986, according to Sales & Marketing Management magazine.

Big Employers (Plants) & Their Share of Furniture Industry Shipments, 1986

	Number of plants With 20+ Employees	Number of plants With 100+ Employees	% of Industry Shipments Accounted For By Plants With 100+ Employees
Wood household furniture (SIC 2511*)	736	329	84%
Upholstered household furniture (SIC 2512*)	632	275	79
Metal household furniture (SIC 2514*)	195	93	83
Mattresses & bedding (SIC 2515*)	337	74	55
Wood TV & radio cabinets (SIC 2517*)	26	15	94
Household furniture n.e.c. (SIC 2519*)	62	17	70

n.e.c. not elsewhere classified

* For definition of SIC codes, see page 6.

Source: Sales & Marketing Management, "Survey of Industrial Buying Power", April 1987. All rights reserved.

Concentration in the Industry (continued)

The Bureau of the Census reports on the number of plants in the household furniture industry, by type of furniture and in the bedding industry, by employment size class. Large establishments -- those units with at least 250 workers -- accounted for 47.3% of employees in the household furniture industry, and almost three-fifths of workers in the wood furniture industry. Plants with less than 10 employees represented 44.3% of all establishments in the household furniture industry in 1985.

Household Furniture & Bedding Plants By Employment Size: 1985
(Number of employees in thousands)

		Employment Size Class				
	Total	Under 10	10-49	50-99	100-249	250 & Over
Household furniture, total*						
No. of establishments	5,141	2,272	1,657	531	424	257
Percent	100.0%	44.3%	32.2%	10.3%	8.2%	5.0%
No. of employees	286	8	39	37	67	135
Percent	100.0%	2.8%	13.6%	12.9%	23.4%	47.3%
Wood household furniture						
No. of establishments	2,453	1,274	706	187	157	129
Percent	100.0%	51.9%	28.8%	7.6%	6.4%	5.3%
No. of employees	132	4	16	13	25	74
Percent	100.0%	3.0%	12.1%	9.8%	18.9%	56.2%
Upholstered furniture						
No. of establishments	1,136	376	374	164	152	70
Percent	100.0%	33.1%	32.9%	14.4%	13.4%	6.2%
No. of employees	80	na	9	11	24	na
Percent	100.0%	na	11.3%	13.8%	30.0%	na
Metal household furniture						
No. of establishments	421	141	137	51	57	35
Percent	100.0%	33.6%	32.5%	12.1%	13.5%	8.3%
No. of employees	33	1	3	4	9	16
Percent	100.0%	3.0%	9.1%	12.1%	27.3%	48.5%
Mattresses & springs						
No. of establishments	863	353	345	112	46	7
Percent	100.0%	40.9%	40.4%	13.0%	5.3%	0.8%
No. of employees	27	1	8	8	7	3
Percent	100.0%	3.7%	29.6%	29.6%	26.0%	11.1%

na not available
* Includes wood TV and radio cabinets, and miscellaneous types of household furniture.

Source: U.S. Bureau of the Census: County Business Patterns, 1985

GENERAL INDUSTRY STATISTICS

Leading Manufacturers

With the acquisition of the Lane Company in 1987, Interco became the first furniture firm to exceed $1 billion in annual sales. Also in 1987, two newcomers to the furniture business, Chicago Pacific and Masco continued to acquire major furniture manufacturers. Chicago Pacific added McGuire, an upscale casual furniture manufacturer. Masco added Hickorycraft, Lexington Furniture Industries, Marge Carson Furniture and Maitland-Smith. Universal, a major foreign producer with warehouse and assembly operations in the U.S., increased its equity position in Benchcraft, a manufacturer of lower priced upholstery furniture, to round out its lines of wood dining, bedroom, and occasional furniture. Late in 1987, the largest producer of furniture and bedding components, Liggett & Platt, purchased Berkshire Furniture Co., bringing its sales to $682 million and placing the company in the fast-growing metal beds arena.

The May 19, 1987, issue of HFD (The Weekly Home Furnishings Newspaper), covered the volume leaders in furniture and bedding, with 1986 sales compared with 1985. Topping the list was Interco (which as noted above, became much larger in 1987).

La-Z-Boy and Armstrong experienced impressive growth. Armstrong World RTA grew 24%, gaining $61 million in furniture sales over 1985 and performance of its latest acquisition, Barclay Furniture, as a major reason for its increase, along with solid performance from its case goods divisions. Universal, a major foreign producer with warehouse and assembly operation in the U.S., increased its equity position in Benchcraft, a manufacturer of lower priced upholstered furniture, to round out its lines of wood dining room, bedroom, and occasional furniture.

Simmons is the largest worldwide bedding manufacturer while Ohio Mattress has the largest domestic operation and is expected to rise to the number two spot at least for 1987 after swallowing Sealy.

Volume Leaders in Furniture & Bedding Manufacturing
(Sales in millions)

		1986	1985
1.	Interco (Broyhill, Ethan Allen, Highland House)	$ 583*	$ 557
2.	Bassett Furniture Industries	422	408
3.	Simmons	405*	375
4.	La-Z Boy (Burris, Rose Johnson, Hammary)	402	321
5.	LADD Furniture Inc. (American Drew, Daystrom, Lea, Clayton Marcus, Barclay, American Furniture)	380**	247
6.	Mohasco (Stratford, Stratolounger, Grand Opening, Barcolounger, Trend Line, Peters Revington, Chromcraft, Avon, Super Sagless)	377	368
7.	Masco (Hendredon, Drexel Heritage, Hickorycraft)	365	na
8.	Lane (Action, HTB, Pearson, Hickory, Royal Development, Venture)	333*	322
9.	Armstrong World (Thomasville, Armstrong)	315	254
10.	Ohio Mattress (Ohio Sealy, Stearns & Foster, Advanced Sleep, Woodstuff, Lifetime Foam)	297	267

(continued)

GENERAL INDUSTRY STATISTICS

Leading Manufacturers (continued)

Volume Leaders in Furniture & Bedding Manufacturing
(Sales in millions)
(continued)

		1986	1985
11.	Serta	250***(worldwide)	235
12.	Spring Air	209***(worldwide)	202
13.	Lexington (Dixie, Dixie Furniture, Link Taylor, Henry Link, Young Hinkle)	205	180
14.	Universal	191	158
15.	Klaussner Furniture Industries	178*	150*
16.	Foremost Furniture	162*	150*
17.	Douglas	141	139
18.	Flexsteel	139	125
19.	Stanley	135*	100*
20.	Singer Furniture	132	128
21.	Benchcraft	127	106
22.	Chicago-Pacific (Pennsylvania House, Kittinger, McGuire)	118	100
23.	Catnapper-Cleveland Chair	113*	105*
24.	Therapedic	113***(worldwide)	107
25.	King Koil	112***(worldwide)	110
Total Volume Leaders		6,204	5,214

na not available
* Estimate
** Includes full year American Furniture Sales
*** Includes licenced manufacturing
+ Acquired by Interco, 1987

Source: HFD (The Weekly Home Furnishings Newspaper), May 18, 1987

Operating Ratios

Selected Operating Ratios for the Household Furniture & Bedding Industry 1982 and 1985

	Payroll Per Employee	Production Workers: % of Total Employment	Average Annual Hours: Production Workers	Cost of Materials: % of Value of Shipments
Household Furniture:				
Wood				
1985	$13,129	87%	1908	48%
1982	11,168	87	1806	46
Upholstered				
1985	$14,696	85	1839	52
1982	12,038	85	1766	50
Metal				
1985	$15,460	82	1916	51
1982	13,422	80	1944	49

(continued)

GENERAL INDUSTRY STATISTICS

Operating Ratios (continued)

Selected Operating Ratios for the Household Furniture & Bedding Industry
1982 and 1985
(continued)

	Payroll Per Employee	Production Workers: % of Total Employment	Average Annual Hours: Production Workers	Cost of Materials: % of Value of Shipments
Wood TV & Radio Cabinets				
1985	$13,736	86%	1907	51%
1982	12,657	84	1831	50
Other (SIC 2519)				
1985	15,057	84	1916	58
1982	13,608	81	1950	59
Bedding				
1985	$17,521	73	1883	55
1982	14,071	75	1874	54

Source: Based on U.S. Department of Commerce: Annual Survey of Manufactures M85 (AS)1 & 1982 Census of Manufactures, Industry Series MC82-1-25a

Plant Capacity

For the fourth quarter of 1985, household furniture plants operated at 82% of the industy's preferred level of capacity, 11 percentage pcints above the level for the corresponding quarter of 1982. The preferred level is defined as a level, normally between actual operations and practical capacity, which the manufacturer would prefer not to exceed due to costs or other considerations (i.e. where profits would be maximized). The following figures represent the ratio of actual utilization to the preferred level of operation. By comparison, for the fourth quarter of 1985, the entire American industry, comprising both durable and non-durable groups, operated at 75% of its preferred level of capacity, the same level estimated for the corresponding quarter of 1984. Preferred capacity utililization rates were 72% for durable groups in 1985, as compared to 73% in 1984.

Capacity Utilization Rates in the Household Furniture Industry: Fourth Quarters 1982 - 1985

	1985	1984	1983	1982
Household Furniture	82	79	78	68
Wood	83	78	72	62
Upholstered	90	91	92	76
Metal	74	na	83	72
Wood TV, radio cabinets	72	86	na	na
Other (SIC 2519)	64	67	73	60
Bedding	79	66	na	68

na not available

Source: U.S. Bureau of the Census, Current Industrial Reports Survey of Plant Capacity, 1985 MQ-C1 (85-1)

EXPENDITURES FOR R&D, TECHNOLOGICAL IMPROVEMENTS

In 1987, the Bureau of the Census issued a report, 1982 Enterprise Statistics covering information on a company basis (in contrast with 1982 Census of Manufactures/Retail Trade reports which are on a plant or store basis). Information on capital expenditures was reported for 104 furniture companies, each having a minimum of 500 employees. Total sales of these companies were reported at $11,490 million.

Capital Expenditures By Furniture Companies in the U.S.
With 500 Employees Or More: 1982

		Capital Expenditures			
	No. of Companies	Total	Computers & Peripheral Equipment	Other Machinery	Autos & Trucks
Furniture Expenditures:	104				
Mil. of $		$217.4	$17.7	$185.9	$13.8
% to Sales		1.9%	0.2%	1.6%	0.1%

Source: U.S. Bureau of the Census: 1982 Enterprise Statistics

NATIONAL ADVERTISING EXPENDITURES

The 1982 Enterprise Statistics report included information on spending for purchased advertising services (or outside costs), including space, time, production costs, etc., by companies with 500 employees or more. Of the 104 furniture companies with 500 employees or more reported in the industry, 60 companies participating in a survey reported advertising expenditures. These companies had sales of $8,764 million in 1982, or 76% of the total volume reported for all companies in the industry with 500 or more employees. Advertising purchases of these companies amounted to $128.3 million, representing 1.5% of their sales.

Spending For Purchased Advertising Services By Furniture Manufacturers
With 500 Employees Or More: 1982
(Reported By Survey Respondents)
(All dollar figures in millions)

	Companies in each Classification		Companies with Advertising Expenditures (Among Survey Respondents)			
Manufacturing Industries	U.S. No.	Total Sales	No.	Sales	Adver. Expend.	Adver. Expend. % of sales
Furniture	104	11,490	60	8,764	128.3	1.5%
Wood household	38	4,550	22	3,681	62.2	1.7
Upholstered household	17	1,559	11	1,270	12.8	1.0
Household Furniture, n.e.c.	14	925	8	450	15.4	3.4
Furniture & fixtures, n.e.c.	35	4,456	19	3,363	37.9	1.1

NATIONAL ADVERTISING EXPENDITURES

According to an analysis of 10-K reports filed by publicly owned companies with the Securities & Exchange Commission, advertising expenditures in 1986 represented 2.7% of the total sales of companies which are primarily in the business of manufacturing furniture. This compares with a 2.6% share reported in a similar study for 1985, and 1.7% in 1982.

Included in the figures are all expenditures classified as "advertising expense" by the reporting company. Estimates are subject to differences in classification systems. Media and nonmedia advertising and production costs are included.

Household Furniture Industry Advertising Expenditures: 1982-1986

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate %
1986	2.7%	9.5%	13.0%
1985	2.6	9.0	14.5
1984	2.1	6.9	14.9
1983	1.9	6.5	9.6
1982	1.7	5.9	4.4

* margin is net sales less cost of goods sold

Source: Pansophic Systems and Schoenfield & Associates (Advertising Age)

In its Leading National Advertisers report, the Publishers Information Bureau details spending on consumer magazine advertising space by furniture companies, including the companies listed below.

Leading Furniture and Bedding Advertiser's Spending For Space in Consumer Magazines, 1985, 1986, 1987

Furniture	Space Costs ($000)		
	1987	1986	1985
Lane (Interco)	2,659.8	$2,837.9	$2,473.9
Ethan Allan Galleries (Interco)	610.0	2,083.7	113.2
Thomasville Furniture (Armstrong World)	1,983.1	1,915.4	2,462.1
Hendredon (Masco)	1,816.2	1,600.7	1,569.0
Sears Furniture (Sears Roebuck)	2,255.6	1,335.0	92.9
Total Furniture:	27,683.7	22,134.3	19,328.2
Leading Manufacturers Percent of Total	33.7%	44.2%	34.7%

(continued)

NATIONAL ADVERTISING EXPENDITURES

Leading Furniture and Bedding Advertiser's Spending For Space in Consumer Magazines, 1985, 1986, 1987

(continued)

Mattresses	Space Costs ($000)		
	1987	1986	1985
Somma	315.6	164.0	0
Serta	62.0	258.8	0
Sealy (Ohio Mattress)	1,012.3	1,184.4	1,056.8
Simmons (Wesray Capital Corp)	132.5	915.3	973.6
Sterns & Foster Mattress (Ohio Mattress)	na	39.6	525.1
Total Mattresses	3,287.0	3,562.6	3,718.3
Leading Manufacturers			
Percent of Total	46.3%	71.9%	67.8%

Source: Publishers Information Bureau, Leading National Advertisers

PRODUCTION

The index covering the quantity of furniture produced in the U.S., compiled by the Federal Reserve Board, registered an annual average of 123 in 1987--or 23% above the base period, 1977. Furniture production was up 3.4%, from 1986 and was 39% ahead of 1982 production. By comparison, output of all durable consumer goods last year was 4.0% over 1986, and 45% greater than the 1982 total.

Industrial Production Indexes, Annual Averages 1982, 1985, 1986, 1987

(1977 = 100)

All consumer durable goods	120.2	115.6	112.5	82.9	+ 3.97%
Household furniture	123.0	118.9	114.0	88.7	+ 3.44

Source: Federal Reserve Board (G.12.3)

The American Furniture Manufacturers Assocaition reported furniture production in the first 11 months of 1987 up 10% compared with the same 1986 period, based on this industry covereage, which does not include metal and miscellaneous types.

SHIPMENTS

The International Trade Administration has estimated the value of household furniture and bedding shipped by all producers, regardless of the manufacturers' primary-product industry classification, at $17.2 billion in 1987, up 7% compared with 1986. Adjusting for inflation, the ITA estimated a real gain of 4.5% in the 1987 value compared with 1986.

The best performance was in wood household furniture, which covers a large segment of the industry and many diversified product lines. Shipments were up an estimated 7.8%. The skyrocketing demand for metal beds was a factor in the 7.4% gain reported for metal furniture. Of the estimated total for furniture and bedding, wood furniture accounted for 41.5% in 1988; upholstered, 27.8%; metal, 11.8%; mattresses and springs, 14.3%.

SHIPMENTS

Estimated Value of Furniture & Bedding Shipments, 1986, 1987
(Millions of dollars)

	Current Dollars		Constant (1982) Dollars		% Change 1987/86	
	1987	1986	1987	1986	Current Dollars	Constant Dollars
Value of shipments, total*	$17,198	$16,078	$15,155	$14,505	+ 7.0%	+ 4.5%
Wood household furniture	7,144	6,626	6,034	5,747	+ 7.8	+ 5.0
Upholstered household furniture	4,774	4,482	4,266	4,082	+ 6.5	+ 4.5
Metal household furniture	2,021	1,882	1,910	1,840	+ 7.4	+ 3.8
Mattresses & bedsprings	2,459	2,308	2,217	2,131	+ 6.5	+ 4.0

Value of Shipments Forecast: 1988/1987
(Millions of dollars)

	Constant Dollars	% Change 1988/1987
Value of shipments, total	$15,307	+ 1.0%
Wood household furniture	6,095	+ 1.0
Upholstered household furniture	4,330	+ 1.5
Metal household furniture	1,919	+ 0.5
Mattresses & bedsprings	2,228	+ 0.5

* Includes household furniture not elsewhere classified.

Source: U.S. Department of Commerce, International Trade Administration
1988 U.S. Industrial Outlook

According to the American Furniture Manufacturers Association, High Point, NC, in the first 11 months of 1987, shipments of furniture were up 11.3% compared with the same 1986 period. The AFMA includes the furniture types specified in the following table.

Percent Change in Furniture Shipments

	Jan. - Nov. 1987/1986	1986-1985
Total	+ 11.3%	+ 7.9%
Bedroom	+ 7.5	+ 8.0
Dining	+ 16.8	+ 5.8
Occasional	+ 12.7	+ 18.9
Case goods	+ 11.4	+ 8.4
Recliners	+ 9.5	+ 7.3
Upholstered	+ 11.0	+ 7.3

Source: American Furniture Manufacturers Association

SHIPMENTS

Seidman & Seidman, an accounting firm that tracks the furniture industry, reported a substantial backlog of unfilled orders as of the end of November 1987, and expects increases in shipments of wood and upholstered furniture of 10% in value for the year, bringing the total to $15.7 billion. Shipments in 1988 were expected by this source to remain on par with 1987. The slow pace in residential construction in 1987 will be a factor in slowing furniture shipments in 1988.

Furniture & Bedding

The latest official data on the value of shipments of furniture is from the 1985 Annual Survey of Manufactures, compiled by the U.S. Census Bureau in intercensual years, which provides the most detailed breakdowns by furniture type. According to the ASM, the value (not including bedding) increased 1.4% between 1984 and 1985, reaching $21.1 billion.

The largest increase was in infants and children's furniture, reflecting an upturn in the number of births, particularly first births, which require new furniture. The next largest increase in shipments during the period was in the outdoor/unpainted/unassembled furniture category, which recorded a gain of 13.3% during the period, due primarily to the rise in shipments of RTA and small-scale furniture. This climb is expected to continue as consumers move into smaller living quarters and are forced to conserve space.

Value of Shipments of Household Furniture
By All U.S. Producers, 1984, 1985

	Value of Shipments (Mil. $)		% Change
	1985	1984	1985/1984
Total reported	$21,113.4	$20,831.9	+ 1.4%
Wood household furniture, total	6,263.3	6,166.1	+ 1.6
Living room, family room & den furniture	1,563.5	1,593.5	- 1.9
Dining room, kitchen furniture, except cabinets	1,255.5	1,245.5	+ 0.8
Bedroom furniture	2,028.0	1,978.2	+ 2.6
Infants' & children's furniture	321.1	283.6	+ 13.3
Outdoor & unpainted, unassembled furniture	459.9	406.6	+ 13.1
Wood household furniture, n.s.k.	635.3	658.3	- 3.5
Upholstered wood household furniture	4,287.4	4,103.8	+ 4.5
Metal household furniture, total	1,769.6	1,796.1	- 1.5
Dining & dinette furniture	406.5	436.2	- 6.8
Kitchen furniture	60.7	64.8	- 6.4
Porch, lawn, outdoor & casual furniture	486.0	475.9	+ 2.2
Other metal household furniture	631.8	647.5	- 2.5
Metal household furniture, n.s.k.	184.6	171.7	+ 7.6
Wood TV and radio cabinets	398.6	425.8	- 6.4
Household furniture, n.e.c.	361.6	378.0	- 4.4

n.s.k. not specified by kind
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census, Annual Survey of Manufactures, 1985: Value of Product Shipments M85(AS)-2

SHIPMENTS

Furniture By Type

The most comprehensive reports on quantity and value of shipments of furniture shipped by all manufacturers are published in the 1982 Census of Manufactures reports. The census covers all manufacturers with payroll, and reports are much more detailed than the ASM reports.

Quantity & Value of Shipments of Household Furniture, by All Producers, Detailed by Type: 1982

	Quantity (Thousands of Units)	Value (Millions of $)
Wood household furniture, total	na	$4,846.1
Wood living room, library, family room & den furniture, except sewing machine cabinets	na	1,221.7
Cabinets, including record, music etc., excl. sewing machine, radio, phono & TV cabinets	na	129.2
Chairs, except dining room chairs	na	62.6
Rockers	na	37.1
Tables, except card & phone tables	6,010.4	499.5
Desks	na	137.7
Credenzas, bookcases & bookshelves, except wall units	na	71.7
Wall units, desks, bookcases & storage types	na	123.5
Other nonupholstered living room furniture	na	105.3
Wood living room, library, family room, & den furniture, except sewing machine cabinets, n.s.k.	na	55.0
Wood dining room & kitchen furniture, except cabinets	na	1,014.7
Tables, 30 x 40 inches or more, dining room	na	250.7
Chairs, dining room	6,049.2	378.8
Buffets & servers, dining room	468.1	107.8
China & corner cabinets, dining room	669.7	156.4
Other dining & kitchen furniture	na	83.8
Wood dining room & kitchen furniture excl. cabinets, n.s.k.	na	37.3

(continued)

SHIPMENTS

Furniture By Type (continued)

Quantity & Value of Shipments of Household Furniture, by All Producers, Detailed by Type: 1982
(continued)

	Quantity (Thousands of Units)	Value (Millions of $)
Wood bedroom furniture	na	$1,515.7
Beds, excl. headboards & headboard beds, bunk beds, cribs, cradles, Hollywood beds & youth beds	na	188.1
Headboards & headboard beds, incl. padded	na	188.2
Bunk beds, excl. mattresses & detachable springs	na	48.7
Dressers, vanities & dressing tables	1,967.4	325.8
Wardrobes, chifforobes, armoires & wardrobe-type cabinets	na	76.8
Chest of drawers	2,099.5	257.6
Cedar chests	219.2	34.9
Night tables & stands	2,221.7	161.2
Other nonupholstered bedroom furniture	205.3	165.5
Wood bedroom furniture, n.s.k.	na	69.1
Infants' & children's wood furniture	na	158.8
Cribs, incl. springs sold as part of crib	na	74.8
Other infants' & children's furniture	na	83.8
Infants' & children's wood furniture, n.s.k.	na	0.1
Wood outdoor furniture, unpainted wood furniture & unassembled & knock-down wood furniture	na	249.9
Porch, lawn, beach & similar wood furniture: chairs, rockers, benches & chaise lounges, incl. steamer & deck chairs	na	62.4
Other wood porch, lawn, beach & similar furniture	na	37.5
Unpainted wood furniture (furniture-in-the-white): Chest of drawers	na	88.4
Unassembled or knock-down furniture, unpainted or finished, sold in kits	na	49.2
Wood outdoor funiture, unpainted wood furniture & unassembled & knock-down wood furniture, n.s.k.	na	12.5
Wood household furniture, n.s.k.	na	685.4

(continued)

Furniture By Type (continued)

Quantity & Value of Shipments of Household Furniture, by All Producers, Detailed by Type: 1982
(continued)

	Quantity (Thousands of Units)	Value (Millions of $)
Upholstered wood furniture, total	na	$3,319.8
Sofa, davenports (excl. dual-purpose), settees & love seats excl. chairs sold as part of suites & sectional sofa pieces	6,414.8	1,397.7
Chairs, except reclining	3,737.2	510.0
Sectional sofa pieces, incl. pieces seating one person	639.1	132.9
Rockers, incl. swivel rockers	na	137.3
Reclining chairs, all types	3,037.0	524.7
Other upholstered wood household furniture	na	111.1
Upholstered household furniture, n.s.k.	na	506.1
Metal household furniture, total	na	1,517.4
Metal household dining, dinette & breakfast furniture	na	360.7
Tubular metal, incl. chairs whether padded or plain:		
Sets (tables & chairs)	1,387.8	266.6
Tables (not sold with a set)	857.2	33.0
Chairs (not sold with a set)	997.1	18.4
Other metal dinette, dining & breakfast furniture	na	41.2
Metal household dining, dinette & breakfast furniture, n.s.k.	na	1.5
Metal kitchen furniture	na	61.8
Kitchen furniture, excl. furniture reported as "dining, dinette & breakfast furniture":		
Cabinets (base, top, base wall, utility, etc)	744.9	27.2
Stools, padded & plain	975.5	25.6
Tables, incl. hostess carts	na	5.3
Metal kitchen furniture, n.s.k.	na	3.7
Metal porch, lawn, outdoor & casual furniture	na	399.4
Tubular aluminum:		
Chairs, rockers, benches, chaise lounges & settees	3,893.3	215.6
Other tubular aluminum porch, lawn & outdoor furniture	na	55.8

(continued)

SHIPMENTS

Furniture By Type (continued)

Quantity & Value of Shipments of Household Furniture, by All Producers, Detailed by Type: 1982

(continued)

	Quantity (Thousands of Units)	Value (Millions of $)
Cast & wrought iron:		
Chairs, rockers, benches, chaise lounges & settees	819.4	$ 46.1
Other cast & wrought iron porch, lawn & outdoor furniture	na	35.1
Other metal porch, lawn, outdoor & casual furniture	na	27.0
Metal porch, lawn, outdoor & casual furniture	na	19.8
Other metal household furniture	na	539.2
Folding cots, rollable cots, army cots, & other metal beds	921.6	57.5
Metal bed frames (with or without a headboard)	na	93.2
Upholstered metal household furniture	na	9.9
Card tables & chairs	na	na
Medicine cabinets, incl. wall type & insert type	2,371.9	70.9
Metal radio, phonograph, TV & hi-fi cabinets	na	na
Infants' high chairs	1,000.0	20.8
Infants' car seats	1,032.0	35.6
Other infants' & children's metal furniture	2,026.2	60.0
Other metal household furniture	na	130.1
Other metal household furniture, n.s.k.	na	11.7
Metal household furniture, n.s.k.	na	156.3
Wood TV & radio cabinets, total	na	302.4
Console phono cabinets & audio cabinets, incl. radio, phono & hi-fi cabinets	na	51.3
TV cabinets & combinations, TV, hi-fi & radio	3,753.4	211.9
Sewing machine cabinets	246.2	24.6
Wood TV, radio & sewing machine cabinets, n.s.k.	na	14.6

(continued)

Furniture By Type (continued)

Quantity & Value of Shipments of Household Furniture, by All Producers, Detailed by Type: 1982
(continued)

	Quantity (Thousands of Units)	Value (Millions of $)
Household furniture, n.e.c., total	na	$ 324.5
Plastics & fibrous glass cainets incl. radio, TV, phono, hi-fi & combinations	na	89.3
Reed & rattan furniture, incl. willow, wicker & cane	na	87.3
Other plastics & fibrous glass household furniture, excl. cabinets	na	88.2
Other household furniture, except wood, metal, plastics or fibrous glass, incl. corrugated furniture	na	26.9
Household furniture, n.e.c., n.s.k.	na	32.8

na not available
n.e.c. not elsewhere classified
n.s.k. not specified by kind.

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
Industry Series (MC82-I-25A)

Bedding

The U.S. bedding industry registered a gain of about 7% in wholesale volume for 1986, according to the International Sleep Products Association -- the best results since 1983, with stronger gains in nearly every key category in 1986 over 1985. Units were up by 1%.

Sales of conventional, adult-sized mattresses and foundations rose to a record $1.83 billion for the year. Innerspring mattresses, accounting for more than 90% of conventional mattress sales, showed a 9% dollar gain and topped the billion dollar sales mark. In units, the industry sold nearly 12.8 million innerspring mattresses for 1986, an increase of 7%.

Foam mattresses registered a less than 1% gain in both dollars and units. Wholesale dollars reached $77.3 million for unit sales of just under 1.5 million. Spring foundations showed a 5.3% dollar increase to $513 million, while unit sales rose 1.5% to just over 8 million. Foam foundations improved by 3.6% to $62 million and units were up nearly 4% to 1.4 million.

For 1987, dollar sales are expected to increase by 5% and units are projected to rise by 4.3% according to the ISPA's latest Econometric Forecast. The Association predicts industry volume will slip 1% in 1988 and dollar value will increase about 3%.

SHIPMENTS

Bedding (continued)

The U.S. Bureau of the Census, 1985 Annual Survey of Manufactures, shows the value of shipments of mattresses, and bedsprings, etc. rose by 4.8% in 1985, climbing to $2.2 billion. Shipments of conventional waterbeds were a major factor contributing to the increase with the value of shipments up about 57% the year to $91.6 million.

Dual purpose sleep furniture (such as convertible sofas and chairbeds) recorded a gain of 17% to $482 million in 1985, and accounted for 22.3% of overall bedding shipments, reflecting the demand for furniture which serves multiple functions in smaller living spaces.

Value of Shipments of Bedding
By All U.S. Producers, 1984, 1985

	(Mil. $)		% Change
	1985	1984	1985/1984
Bedding, total	$2,170.3	$2,071.0	+ 4.8%
Innerspring mattresses, except crib size	770.2	739.8	+ 4.1
Other mattresses, including crib size	115.4	123.8	- 6.8
Foundations	463.8	482.9	- 4.0
Dual purpose sleep furniture	482.1	411.9	+17.1
Sleep system ensembles, excl. water beds	46.9	45.8	+ 2.4
Conventional water beds	91.6	58.4	+56.9
Mattresses & bedsprings, n.s.k.	200.3	208.4	- 3.9

n.s.k. not specified by kind

Source: U.S. Bureau of the Census,
Annual Survey of Manufactures, 1985
Value of Product Shipments M(85)AS-2

Detailed information on shipments by product type, available only from the 1982 Census reports, are shown in the table below.

Quantity & Value of Shipments of Bedding By All Producers,
Detailed By Type: 1982

	Quantity (Thousands of Units)	Value (Millions of $)
Mattresses & bedsprings, total	na	$2,042.6
Innerspring mattresses, excluding crib size	9,375.8	705.3
Other mattresses, incl. crib & inserts	na	159.1
Crib mattresses, all types	na	29.6
Foam core mattresses, excl. crib	na	53.5
All other mattresses	1,160.3	37.0
Mattress inserts for dual purpose furniture:		
Innerspring	na	11.3
Foam	na	3.4
Other mattresses, n.s.k.	na	24.3

(continued)

Bedding (continued)

Quantity & Value of Shipments of Bedding By All Producers, Detailed By Type: 1982 (continued)

	Quantity (Thousands of Units)	Value (Millions of $)
Foundations, excl. innerspring units, hybrid floatation & adjustable ensembles	--	461.3
Spring	na	367.0
Foam	618.5	30.2
All other	na	15.7
Foundations n.s.k.	--	48.4
Dual purpose sleep furniture	--	369.2
Convertible sofas	na	335.9
All other dual purpose sleep furniture	na	30.3
Sleep system ensembles, excluding conventional water beds	--	23.9
Hybrid type floatation ensembles	na	9.9
Air bed ensembles	na	na
Electric adjustable sleep ensemble	na	na
Sleep system ensembles, n.s.k.	na	3.3
Conventional water beds	na	41.3
Mattresses & bedsprings, n.s.k.	na	275.6

na not available
n.s.k. not specified by kind

Source: U.S. Bureau of the Census, 1982 Census of Manufactures, Industry Series, MC82-I-25A

By Geographic Region

California was the leading state for shipments in nine of the 15 categories of furniture and bedding measured by the Census Bureau in 1982, while North Carolina led in four others. California held an 81% share of conventional waterbed ship- ments, 35% of sleep system ensembles, and 33.4% of metal household furniture. North Carolina held a 41% share of wood dining room and kitchen furniture, including cabinets and a 35.2% share of wood bedroom furniture shipments.

The only two categories in which California, or North Carolina did not lead in product shipments were infants' & children's wood furniture (Wisconsin) and metal kitchen furniture (Illinois).

SHIPMENTS

By Geographic Region (continued)

Value of Product Shipments of Household Furniture By Leading States: 1982 (Millions of dollars)

	1982	Percent of U.S. Total
Wood living room, library, family room and den furniture		
U.S. total	$1,221.7	100.0%
Leading States:		
North Carolina	314.4	25.8
Virginia	148.2	12.2
California	110.2	9.1
Indiana	63.1	5.2
Tennessee	44.5	3.7
Leading states total	680.4	55.7
Wood dining room and kitchen furniture, excl. cabinets		
U.S. total	1,014.7	100.0
Leading States:		
North Carolina	417.6	41.2
Virginia	123.5	12.2
California	63.5	6.3
New York	45.9	4.6
Massachusetts	45.2	4.5
Leading states total	695.7	68.6
Wood bedroom furniture		
U.S. total	1,515.7	100.0
Leading States:		
North Carolina	532.6	35.2
Virginia	300.9	19.9
California	146.5	9.7
Tennessee	109.8	7.3
South Carolina	55.3	3.7
Leading states total	1,145.1	75.6
Infants' and children's wood furniture		
U.S. total	158.8	100.0
Leading states:		
Wisconsin	38.6	24.3
California	20.2	12.8
Leading states total	58.8	37.1

(continued)

SHIPMENTS

By Geographic Region (continued)

Value of Product Shipments of Household Furniture By Leading States: 1982

(Millions of dollars)
(continued)

	1982	Percent of U.S. Total
Wood, outdoor, unpainted and unassembled furniture		
U.S. total	$ 249.9	100.0%
Leading states:		
California	54.2	21.7
Pennsylvania	20.7	8.3
Georgia	17.9	7.2
New York	16.4	6.6
Indiana	13.0	5.2
Leading states total	122.2	48.9
Metal household dining, dinette and breakfast furniture		
U.S. total	360.7	100.0
Leading states:		
California	120.5	33.4
North Carolina	49.3	13.7
Pennsylvania	22.5	6.3
New York	8.0	2.3
Florida	3.4	1.0
Leading states total	203.7	56.5
Metal kitchen furniture		
U.S. total	61.8	100.0
Leading states:		
Illinois	14.2	23.0
Pennsylvania	5.8	9.4
Leading states total	20.0	32.4
Metal, porch, lawn outdoor and casual furniture		
U.S. total	399.4	100.0
Leading states:		
California	72.3	18.1
Florida	45.4	11.4
Alabama	43.6	11.0
North Carolina	38.5	9.7
Texas	30.4	7.7
Leading states total	230.2	57.7

(continued)

SHIPMENTS

By Geographic Region (continued)

Value of Product Shipments of Household Furniture By Leading States: 1982
(Millions of dollars)
(continued)

	1982	Percent of U.S. Total
Other metal household furniture		
U.S. total	$ 539.2	100.0%
Leading states:		
California	100.1	18.6
Ohio	78.4	14.6
Illinois	76.6	14.2
Indiana	55.2	10.3
Pennsylvania	38.1	7.1
Leading states total	348.4	64.7
Innerspring mattresses, excluding crib		
U.S. total	705.3	100.0
Leading states:		
California	108.4	15.4
Texas	71.2	10.1
New Jersey	62.9	9.0
Florida	57.5	8.2
Ohio	40.3	5.8
Leading states total	340.3	48.3
Other mattresses, including crib		
U.S. total	159.1	100.0
Leading states:		
California	22.8	14.4
Texas	14.1	8.9
Illinois	13.8	8.7
Massachusetts	13.5	8.5
Ohio	11.7	7.4
Leading states total	75.9	47.7
Foundations		
U.S. total	461.3	100.0
Leading states:		
California	56.7	12.3
Texas	45.2	9.8
New Jersey	38.5	8.4
Ohio	27.2	5.9
Illinois	26.9	5.9
Leading states total	194.5	42.2

(continued)

SHIPMENTS

By Geographic Region (continued)

Value of Product Shipments of Household Furniture
By Leading States: 1982
(Millions of dollars)
(continued)

	1982	Percent of U.S. Total
Dual purpose sleep furniture		
U.S. total	$ 396.2	100.0%
Leading states:		
North Carolina	61.8	15.6
California	60.0	13.2
Mississippi	46.5	11.8
Texas	36.1	9.2
Tennessee	26.2	6.7
Leading states total	230.6	58.2
Sleep system ensembles, except conventional water beds		
U.S. total	23.9	100.0
Leading states:		
California	8.4	35.2
Conventional water beds		
U.S. total	41.3	100.0
Leading states:		
California	33.5	81.2

na not available

Source: U.S. Bureau of the Census,
Census of Manufactures, 1982
Industry Series, MC82-I-25A

PRODUCER PRICES

As of November 1987, producer (factory) prices for all types of household furniture were up 3.1% compared with the same month a year earlier, according to the Bureau of Labor Statistics. The level was 3.6% over the 1986 average. Wood household prices averaged 3.6% higher in November 1987 compared with a year earlier, while prices for upholstered furniture rose 2.7%.

PRODUCER PRICES

Producer Price Indexes for Specified Furniture & Bedding, November 1987 & Annual Averages 1985, 1986

	Index Base Period	Month of November 1987	Annual Average		% Change Nov. 1987/ Nov. 1986
			1986	1985	
All commodities	1967	311.9	299.8	308.8	+ 4.4%
Household furniture	1967	262.6	253.4	249.5	+ 3.1
Wood household furniture	1967	299.2	286.9	281.0	+ 3.6
Living room furniture	1967	286.7	273.5	266.3	+ 3.3
Tables	1967	285.8	271.5	262.8	+ 3.6
Desks	6/80	136.5	131.3	127.1	+ 2.0
Chairs	6/80	142.9	134.8	137.3	+ 3.5
Credenzas & bookcases	6/80	142.2	139.5	136.1	+ 1.9
Other nonupholstered living room furniture	6/80	133.6	128.1	125.8	+ 2.8
Dining room	1967	320.2	307.4	302.4	+ 4.0
Table	1967	314.4	305.4	298.7	+ 2.9
Chairs	1967	354.0	331.8	321.1	+ 6.8
Buffets & Servers	1967	283.5	293.9	286.1	- 4.5
China & corner cabinets	1967	297.9	278.0	282.3	+ 6.0
Other dining room and kitchen furniture	6/80	118.2	117.6	125.5	+ 1.3
Bedroom	1967	298.1	283.3	276.9	+ 4.8
Beds, except bunk	1967	295.4	290.2	282.9	+ 1.9
Headboard sets	6/80	137.6	131.6	123.4	+ 4.2
Dressers, vanities, & dressing tables	1967	288.1	273.6	273.4	+ 5.1
Night tables & stands	6/80	145.4	138.6	132.5	+ 4.1
Chests	1967	290.2	274.4	269.2	+ 5.2
Wardrobes	6/80	134.9	133.2	127.7	+ 0.6
Other nonupholstered bedroom furniture	6/80	136.7	133.7	131.8	+ 2.2
Other wood household furniture	6/80	117.4	116.3	115.2	-0-
Unpainted wood furniture	6/80	133.9	130.5	127.3	+ 1.7
Upholstered household furniture	1967	237.2	228.9	226.3	+ 2.7
Sofas, incl. sectional sofa pieces	1967	240.2	229.6	227.1	+ 3.5
Chairs, incl. rockers & recliners	1967	232.9	228.3	225.4	+ 1.4
Sofa beds, convertible	1967	229.4	219.2	216.5	+ 3.4
Other upholstered furniture	6/82	122.9	116.9	113.4	+ 3.5
Metal household furniture	1967	221.0	215.0	212.2	+ 1.4
Porch & lawn furniture	1967	301.9	294.2	299.5	+ 5.1
Bedding	1967	225.9	221.0	215.1	+ 2.8
Mattresses, innersprings, other than crib	1967	225.9	226.9	220.3	+ 0.7
Bedsprings	6/83	106.7	103.2	102.1	+ 3.5

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

U.S. furniture imports slowed for the third consecutive year in 1987, according to the International Trade Administration. Imports, however, were still up an estimated 15% to more than $3.7 billion - 18% of apparent U.S. consumption (a measure of value of shipments by U.S. manufacturers during the year, less exports, plus the value of imports). This slowdown, from the 22% increase of 1986, can be partially attributed to declines in the value of the dollar relative to foreign currencies -- making imports more expensive. Imports from West Germany, Denmark, and Japan, three of the top 10 furniture suppliers to the United States, declined in the first half of 1987 compared with 1986. The Bureau of Labor Statistics Import Price Index for furniture increased 6.4% between June 1986 and June 1987.

Taiwan is the number one foreign furniture supplier, accounting for one-third of total U.S. furniture imports. As prices are expected to increase late in 1987, U.S. firms importing from Taiwan may look at other countries such as Mexico, Thailand, and Indonesia for their low-end wood furniture lines. Still, Taiwan was expected to increase its shipments to the United States by over 30% in 1987, exceeding the $1 billion mark for the first time. It was only in 1982 that furniture imports from all countries first exceeded $1 billion.

Many of the major furniture suppliers, including Taiwan, are Generalized System of Preferences beneficiaries, which permits duty-free imports from developing countries. Taiwan, Romania, and Yugoslavia lost their duty-free status on most of their furniture exports.

Strong furniture demand in Canada and the decline in the value of the dollar versus European and Japanese currencies resulted in a turnaround in U.S. exports in 1987, following declines in four of the past 5 years. U.S. exports of household furniture in the first half of 1987 increased 15% over those in the same 1986 period. Shipments to Canada rose 23% as a strong housing market produced demand similar to that in the United States. Increases also occurred in exports to the Bahamas, Japan, the United Kingdom, West Germany, and Australia.

Foreign Trade in the Furniture & Bedding Industry, 1984-1987

	1987(e)	1986	1985	1984	% Change 1987/1986	Compound Annual Growth Rate 1980-1985
Value of Imports*	3,721	3,236	2,646	2,010	+15.0	+ 25.5
Import/new supply ratio	0.178	0.168	0.148	0.119	+ 6.0	+ 18.3
Value of Exports	183	159	165	208	+15.1	- 3.9
Exports/shipments ratio	0.011	0.010	0.011	0.014	+10.0	- 7.2

(e) estimated
* Includes an indeterminant amount of office furniture.
New supply is the sum of product shipments plus imports

Source: International Trade Administration
U.S. Department of Commerce
1988 U.S. Industrial Outlook

THE POTENTIAL MARKET

Households/Homes

Recent trends indicate more new family households and a slowing of people living alone.

According to the Census Bureau's Current Population Reports, there were 89.5 million households in March 1987, a net increase of about one million over the previous year. However, the number of households has increased by an average of 1.2 million a year since 1980, well below the 1.6 million annual increase in the 1970's.

Number of U.S. Households by Type, 1984-1987
(in thousands as of March of each year)

	1987	1986	1985	1984	% Change 1987/86	% Change 1987/84
Households, total	89,479	88,458	86,789	85,290	+ 1.2	+ 5.0
Family households, total	64,491	63,558	62,706	62,015	+ 1.5	+ 4.0
Married couple family	51,537	50,933	50,350	50,081	+ 1.2	
Nonfamily households, total	24,988	24,900	24,082	23,276	+ 0.4	+ 7.4
Living Alone	21,128	21,178	20,602	19,847	- 0.3	+ 6.5
Average household size (number)	2.66	2.67	2.69	2.71		

Source: U.S. Bureau of the Census
Households, Families, Marital Status and Living Arrangements, P-20-No. 417

(Detailed information on population, households and families, including living arrangements, is covered in the Consumer Market Development Fact File, 1987.)

Housing starts and sales trends are indicators of forthcoming trends, to some extent, in consumer spending for furniture. For all of 1987, 674,000 new houses were sold, down from 750,000 in 1986 and the fewest since the 639,000 sold in 1984. The median price of new homes was $103,900, up 12.9% from $92,000 in 1986. By comparison, six years earlier, the median price was $69,000. Home ownership has been declining, mainly due to high costs.

Of total new private homes sold in 1987, 17.4% were in the Northeast, 14.5% in the Midwest, 40.2% in the South, and 27.9% in the West. Construction of new homes dropped 10.4% in 1987 to the lowest level since 1982. For 1988, economists for housing trade associations expect about 1.5 million starts, down from 1.6 million in 1987, and 1.8 million in 1986, and yet another sign are the brakes on the recent growth in new housing units. Much of the decline in 1987 was in multi-family projects, which dropped 24% due to changes in the tax laws and high vacancy rates. Single family starts declined only 3%.

Households/Homes (continued)

Top metropolitan areas in 1987 experienced declines in housing starts according to the National Association of Home Builders (NAHB).

Top Ten Housing Starts by Metropolitan Area

	1985	1986	1987*	% Change 1986/87
Los Angeles-Anaheim Riverside	118,532	128,000	128,000	0.0%
Atlanta	51,430	55,280	49,755	-11.6
Chicago	27,715	36,490	38,660	+ 5.9
San Diego	37,034	37,520	35,200	- 6.2
San Francisco-Oakland-San Jose	41,700	40,100	35,000	-12.7
Washington, D.C.	34,500	36,100	34,100	- 5.5
Phoenix	49,500	43,500	34,000	-50.8
Dallas-Ft. Worth	73,070	49,960	31,860	-36.2
Tampa-St. Petersburg-Clearwater	32,219	31,688	30,990	- 2.2
Seattle-Tacoma	24,390	27,050	24,350	-10.0
Detroit	20,797	22,744	22,300	- 2.0

Source: National Association of Home Builders,
Metro Forecast, December 1986
National Home Furnishings Association
Competitive Edge, March 1987

Trends in New Private Housing Starts: 1981-1987
(Thousands of units or homes)

Year	Total	1-unit	2-4 units*	5 or more units*	Units Completed	New Private Homes Sold
1981	1,084.2	705.4	91.1	287.7	1,265.7	436
1982	1,062.2	662.6	80.0	319.6	1,005.5	412
1983	1,703.0	1,067.6	113.5	522.0	1,390.3	623
1984	1,749.5	1,084.2	121.4	544.0	1,652.2	639
1985(r)	1,741.8	1,072.4	93.4	576.1	1,703.3	688
1986	1,805.4	1,179.4	84.0	542.0	1,756.4	750
1987(p)	1,617.1	1,143.7	65.3	408.2	1,635.0	674

* A unit is a structure which contains domiciles for one or more households.
(p) preliminary
(r) revised

Source: U.S. Department of Commerce and
U.S. Department of Housing and Urban Development

Households/Homes (continued)

Of housing structures completed in 1986, totaling 1,805,400, 65.3% (or 1,179,400) were one-family houses. Structures with 2-to-4 housing units accounted for 4.7%, 5 or more units, 30.0%. Completions of new one-family homes in 1986 gained 3.1% over the 1985 total and rose 38.8 % over the 1982 total. Completions of multifamily holdings, which totaled 636,000 in 1986, represented a gain of 70.1% over the 1982 total but were only 1% higher than in 1985.

Most (78.8%) of the new one-family homes completed in 1986 had three or more bedrooms. This compares with 75.2% in 1985, and 76.4 % in 1984. There were 636,000 units in multifamily buildings completed in 1986, and of these, over half (53.3%) had two bedrooms, 37% had one bedroom. Comparable figures in 1982 were 52.2% and 36.4%, respectively.

The average new single family house was 1,825 square feet, the largest since the Census Bureau began tracking these numbers. The share of one family houses completed with three bedrooms or more has risen from 76% in 1982 to almost 79% in 1986. However, apartments were smaller than in recent years, averaging 911 square feet.

Selected Characteristics of New One-Family Houses And Of New Units in Multifamily Buildings Completed in 1982, 1984, 1985, 1986
(in thousands of units)

	1986	1985(r)	1984	1982
One family houses:				
Total completed	1,120	1,072	1,025	632
Bedrooms per units:				
2 or less	238	266	243	152
3 bedrooms	657	611	595	367
4 bedrooms or more	225	195	188	113
Average size, entire house (sq. ft.)	1,825	1,785	1,780	1,710
Median size, entire house (sq. ft.)	1,660	1,605	1,605	1,520
Units in multifamily buildings:				
Total completed	636	631	627	374
Bedrooms per unit:				
Efficiencies	20	14	14	6
1 bedroom	235	227	231	136
2 bedrooms	339	343	334	195
3 bedrooms	42	47	48	37
Average size (entire unit) (sq. ft.)	911	922	914	990
Median size (sq. ft.)	876	882	871	925

(r) revised

Source: U.S. Department of Commerce &
U.S. Department of Housing & Urban Development
Characteristics of New Housing, 1986 (C25-86-13)

Households/Homes (continued)

About 64.2% of all occupied housing units in the U.S. in the third quarter of 1987 were occupied by their owners. On a regional basis, the lowest rate of owner occupancy (58.9%) was in the West. In the Northeast, the rate was 61.8%; in the Midwest, 67.8%, in the South, 66.2%.

The National Association of Realtors predicts sales of existing homes will fall to 3.5 million units this year. About 46 million people moved from one house or apartment to another from March 1984 to March 1985 compared with some 39 million in the previous 12 months, according to the Commerce Department's Census Bureau. The geographical mobility rate which had drifted as low as 16% in the 1970's and early 1980's, snapped back to a more traditional level of 20.2% in 1985.

Two thirds of all movers, some 30 million, moved within the same county. The remainder was divided between those moving between counties in the same state (17.2%) and those moving between states (14.9%) and from abroad (3.1%).

The South showed no significant net gain for the first time in several decades. However, the West recorded a net increase of 260,000 people. The net losses for the Midwest, (211,000) and the Northeast (209,000) followed a trend of many years. The reports show that moving rates are highest for those in their twenties and decline with increasing age. According to trade sources, people who move account for about one-quarter of furniture and bedding sales.

CONSUMER EXPENDITURES FOR FURNITURE

After increasing 6.1% between 1984 and 1985, personal consumption expenditures for furniture and bedding rose 8.9% in 1986 reaching $30.6 billion. These expenditures cover the value at retail of goods reaching the consumer through all channels, including direct sales by manufacturers or wholesalers.

Total U.S. personal consumption expenditures rose 6.5% in 1986 to $2,799.8 billion from $2,629.4 billion in 1985. Furniture and bedding shares of personal consumption expenditures was about 1% of total expenditures. However furniture held a 7.6% share of total spending for durable goods in 1986, compared with 12% in the early 1960's, and 9.1% in 1972.

CONSUMER EXPENDITURES FOR FURNITURE

U.S. Personal Consumption Expenditures & Share Accounted for by Furniture & Bedding, 1983-1986
(Billions of dollars)

	1986(p)	1985(r)	1984(r)	1983(r)	% Change 1986/85	% Change 1986/83
Personal consumption expenditures:						
U.S. total	2,799.8	2,629.4	2,430.5	2,234.5	+ 6.5	+25.3
Furniture & bedding	30.6	28.1	26.5	23.8	+ 8.9	+28.6
% of total expenditures	1.10%	1.07%	1.09%	1.07%		

(p) preliminary (r) revised

Source: U.S. Department of Commerce, Bureau of Economic Analysis: Survey of Current Business, (July 1987)

Household Expenditures

The Bureau of Labor Statistics compiled annual surveys among a nationwide sample of households to determine patterns in purchases through retail outlets in order to weigh the components of the Consumer Price Index. Based on average spending for furniture and bedding per U.S. household, the following sales by type of furniture and bedding are estimated for 1985.

Household Expenditures For Furniture & Bedding: 1985
(Millions of dollars)

	Expenditures	Total
Furniture & bedding, total	$26,121	100.0%
Living room chairs	3,015	11.5
Living room tables	1,424	5.5
Sofas	5,314	20.3
Occasional furniture	3,627	13.9
Bedroom furniture	3,495	13.4
Mattresses & springs	3,187	12.2
Infants' furniture	457	1.8
Outdoor furniture	1,080	4.1
Kitchen/dining room furniture	4,522	17.3

Source: Based on U.S. Bureau of Labor Statistics, Consumer Expenditure Survey: 1985

CONSUMER EXPENDITURES FOR FURNITURE

Household Expenditures

The aging of the baby boom population, which will be the fastest growing segment between 1987 and 1992, has positive implications for consumer demand during the next five years, according to the US Industrial Outlook. A 1986 survey by Mendelsohn Media Research reported that while only 15% of U.S. households had incomes exceeding $50,000 annually, those households accounted for 44% of total personal income. Of the households with incomes exceeding $50,000, 29% were headed by 35 to 44 year-olds and 26% by 45 to 54 year-olds. More importantly for the furniture industry, the Mendelsohn survey found that households making $50,000 and over spent $15.8 billion on furniture in 1986, or an average of $1,823 per household.

The BLS study, referred to in the previous table, includes details on average spending per household based on age of household head, on income, on housing tenure, race and other measurements. Details from the 1985 survey were released in September 1987.

The average spending per household on furniture and bedding for all households was reported at $285.28; for households with income of $40,000 or more, the amount was $635.61. These averages, it should be noted, are averages for consumer units in total within the classification under study, regardless of whether or not a particular unit incurred an expense for furniture or bedding. In the 1985 reporting period, 13.91% of the households reported making such a purchase every three months.

Urban Household Expenditures For Furniture
Average Spending By Age of Householder: 1985

	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75 & Over
Number of consumer units (thous.)*	91,564	8,146	20,478	18,527	12,712	13,056	11,302	7,343
Percent of Total	100.0%	8.9	22.4	20.3	13.9	14.3	12.4	8.1
Average age of householder* (years)	46.8	21.4	29.6	39.1	49.2	59.5	69.3	80.7
Average size of household (persons)	2.6	1.8	2.7	3.4	3.1	2.4	2.0	1.6
Average household income after taxes	$22,887	10,888	23,025	29,642	30,354	24,648	17,170	11,553
Avg. expenditure per household:								
All homefurnishings & equip.	$853.54	452.73	915.57	1108.31	1138.0	837.65	648.24	334.23
Furniture	285.28	186.61	363 75	372.40	376.93	226.47	183.58	58.55
Percent reporting purchase per quarter	13.91%	13.19%	17.43%	17.47%	16.01%	11.60%	7.81%	5.82%

* A consumer unit is an urban household. The householder is the person who is the owner or renter of the premises at the time of the interview.

CONSUMER EXPENDITURES FOR FURNITURE

Household Expenditures

By Household Income Before Taxes

	Total Reporting Income	Less Than $5,000	$5,000 to 9,999	$10,000 to 14,999	$15,000 to 19,999	$20,000 to 29,999	$30,000 to 39,000	$40,000 and Over
Number of consumer units (thous.)*	81,221	9,747	12,748	10,607	8,397	14,161	10,029	15,532
Percent of Total	100.0%	12.0%	15.7%	13.1%	10.3%	17.4%	12.4%	19.1%
Average age of householder* (years)	46.6	45.0	54.9	48.9	46.7	43.0	43.2	44.7
Average size of household (persons)	2.6	2.0	2.1	2.3	2.4	2.7	2.9	3.3
Average household income after taxes	22,887	1,710	7,197	11,710	16,292	22,734	31,023	55,148
Avg. expenditure per household:								
All homefurnishings & equip.	$861.61	353.46	336.98	515.08	574.02	814.93	1122.06	1877.57
Furniture	280.52	108.25	104.48	173.90	172.62	269.78	340.08	635.61
Percent reporting (per quarter)	14.25%	7.98%	7.24%	11.38%	12.99%	15.82%	18.78%	22.20%

* Total excludes 10,343 thousand households for which income was not reported.

By Housing Tenure

	Total	Homeowner	Renter
Number of consumer units (thous.)	91,564	56,690	34,874
Percent of Total	100.0%	61.9%	38.1%
Average age of householder (years)	46.8	51.3	39.4
Average size of household (persons)	2.6	2.9	2.1
Average household income after taxes	$22,887	$27,547	$15,334
Average expenditure per household:			
All homefurnishings & equipment	853.54	1,067.22	506.19
Furniture	285.28	339.07	197.83
% reporting (per quarter)	13.91%	15.27%	11.71%

Source: U.S. Bureau of Labor Statistics
Consumer Expenditure Survey 1985
September 1987

RETAIL SALES BY PRODUCT

The Bridal Market

A bridal market study, conducted for Modern Bride Magazine in 1984, surveyed newlywed women to determine purchases, retail sales, and average total expenditures of furniture and bedding during the bridal period (six months before to six months after the wedding).

The bridal market represents only 3% of all households but accounts for a disproportionate share of furniture and bedding sales. For example, the bridal market accounts for 17% of all bedroom furniture sold, 12.5% of kitchen and 11% of dining room furniture.

Marriages brought about 2.4 million couples into the market for furniture in 1986. A sizable number of remarriages, 33.6% of all weddings, follow the pattern of the first marriage market, especially if the brides are young. Both bridal groups -- first marriage and remarriage -- must make their purchases within the relatively short time surrounding their marriage and will spend up to $3,800 on furnishings for their new home.

Newlyweds spent $1,988 million on furniture and bedding in 1984, representing 10.4% of national retail sales. Purchases by those remarrying represented 28% of the bridal market.

Bridal Market Share of Total National Annual Retail Sales

Category/Product	Total Bridal Market Sales (Millions)	Total National Retail Sales (Millions)	Bridal Market Share of National Sales	Acquired During Bridal Period (Percent)
Furniture and Bedding				
Bedroom Furniture	$ 587.6	$ 3,471.0	16.9%	27.0%
Living Room Furniture	746.0	7,670.0	9.7	33.2
Dining Room Furniture	284.5	2,590.0	11.0	20.1
Kitchen Furniture	120.4	963.2	12.5	17.9
Outdoor or Patio Furniture	30.3	1,265.4	2.4	8.3
Convertible Sofas/Sofa Beds	79.7	1,027.0	7.8	7.2
Mattresses and Boxsprings	139.4	2,245.6	6.2	21.5
Total	$1,987.9	$19,232.2	10.4%	

Category/Product	Average Sales Per Bride Acquiring	First Marriage Bridal Market (Millions)	Remarriage Bridal Market (Millions)
Furniture and Bedding			
Bedroom Furniture	$ 884	$ 421.5	$ 166.1
Living Room Furniture	933	547.8	198.2
Dining Room Furniture	602	194.8	89.7
Kitchen Furniture	288	83.5	36.9
Outdoor or Patio Furniture	145	14.7	15.6
Convertible Sofas/Sofa Beds	448	64.1	15.6
Mattresses and Boxsprings	268	104.7	34.7
Total		$1,431.1	$ 556.8

Source: Modern Bride Magazine:
A Summary of Bridal Market Retail Expenditures, 1984

RETAIL SALES BY PRODUCT

Ready to Assemble/Knockdown Furniture

Knockdown, ready to assemble furniture rang up less than $2 billion in sales in 1987, a modest amount compared to the $27.7 billion in furniture sales. This category, however, has been rapidly expanding. While RTA claims only 4 to 7% of the market, sales nearly doubled in the past 5 years, according to industry observers.

Distribution is expanding into new channels. Major department stores shelved the concept in the 1970's, due to low sales, but recent higher quality products at attractive prices have brought them back. Lifestyle RTA furniture is being merchandised in vignette settings separate from other department store furniture. Discount chains are cashing in on strong sales of ready-to-assemble furniture as consumers appear more receptive to the improved quality and style of these products. It is estimated that discounters handle 33% of the total $500 million domestic and imported shipments. Specialty retailers increasingly use catalogues to focus on lifestyle, ready to assemble, upscale and imported furniture categories. Better quality RTA has been a boon to specialty home furnishing stores such as Conran's and IKEA.

In the past, entertainment centers, utility carts and storage units were the industry's big sellers. The explosion in electronic products also helped open other distribution channels such as electronic retailers and mail order office supply and expanded RTA into furniture stores, where pre-assembled units dominate.

Now many retailers and manufacturers believe consumers are ready for RTA furniture in other rooms in the house, such as the bedroom. In addition, the home office is emerging as a major market opportunity for ready-to-assemble manufacturers. The number of home offices, currently pegged at 27 million, is expected to grow substantially, according to industry sources. Consumer demand for lifestyle RTA is also up from singles living in apartments, recent grads and second homeowners.

A complete census of retail trade covering all retail outlets with payroll, is compiled by the Census Bureau, U.S. Department of Commerce every five years.

Total Homefurnishings Sales & Furniture & Bedding Sales
Through Retail Outlets, 1982
(Includes only retail establishments with payroll)

	Establishments	Sales	
		Thous. $	Percent
Homefurnishings & equipment, reported classifications, total	--	$84,399,182	100.0%
Furniture & bedding (sleep equipment)	67,720	19,086,032	22.6

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade, RC82-1-3

Furniture stores were the major outlets for furniture and bedding, accounting for 73.9% of reported sales through retail outlets with payroll, and 43.7% of all establishments in 1982. Department stores accounted for 16.2% of reported sales in 1982. Sales of all furniture and bedding, through 67,720 outlets, totaled $19 billion in 1982.

Furniture & Bedding Sales By Major Outlet Type, 1982
(In retail establishments with payroll)

	Establishments		Sales By Outlet Type	
	Number	Percent	Thous.$	Percent
Furniture & bedding, total	67,720	100.0%	$19,086,032	100.0%
General merchandise store group*	15,695	23.2	3,440,727	18.0
Department stores*	8,162	12.1	3,099,952	16.2
Furniture, homefurnishings stores	34,031	50.3	14,577,834	76.4
Furniture stores	29,609	43.7	14,095,074	73.9
Nonstore retailers:				
Mail order houses**	3,142	4.6	257,208	1.3
Other retailers	14,852	21.9	810,263	4.3

* Leased departments are not included but are counted as separate establishments. Department stores include discount department stores as well as conventional department stores; and department stores operated by national mail order chains (such as Sears).

**Catalog order desks are included in the sales of the stores in which they are located.

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade, RC82-1-3

Furniture Stores

According to the 1982 census, 24,926 firms were operating 29,609 furniture stores with payroll that year. Sales in furniture stores (with payroll) that year totaled $17.2 billion, of which furniture and bedding represented 81.8%; major appliances, 4.8%; kitchenware/housewares, 4.0%; the remainder, 9.4%.

The number of furniture store firms with a volume of $5.0 million or more totaled 313 in 1982. Firms with a volume of $5.0 million or more accounted for 1.3% of the firms operating stores with payroll in 1982, 8.7% of store locations had a 31.6% share of sales. (These figures are based on those operating the entire year--of which there were 23,898 in 1982 vs. 24,926 operating anytime in the year).

The 20,586 furniture store firms with volume of less than $1.0 million in 1982--86.1% of the total in this classification (with payroll)--operated about 75% of the stores, but had a share of only 36% of sales.

RETAIL SALES BY STORE TYPE

Furniture Stores (continued)

Furniture Store Operations By Site of Firms: 1982
(Retail establishments with payroll)

	No. of Firms	Percent of Total		
		Firms	Stores	Sales
Total	23,898*	100.0%	100.0%	100.0%
Annual sales of firms:				
$10.0 million or more	126	0.5	6.0	24.1
$ 5.0 mil. - $ 9.9 mil.	187	0.8	2.7	7.5
$ 1.0 mil. - $ 4.9 mil.	2,999	12.5	16.5	32.7
Less than $1 million	20,586	86.1	74.9	35.7

* Firms in operation the entire year. (24,926 firms were in operation anytime during the year.)

Source: U.S. Bureau of the Census, 1982 Census of Reatil Trade RC82-1-3

Furniture store firms operating more than one store have increased in importance. Multi-unit operations of 10 or more stores held a share of furniture store sales of over 16% in 1982. Those operating two or more stores held a 45% share.

Furniture Store Single & Multi-Unit Operations: 1982
(Retail establishments with payroll)

	Percent of Total		
	Firms	Stores	Sales
Total	100.0%	100.0%	100.0%
Single-unit organizations	90.0	75.8	54.5
Multi-unit organizations	10.0	24.2	45.5
Operating: 2-4 stores	9.0	14.6	22.5
5-9 stores	0.7	3.8	6.9
10 or more stores	0.3	5.8	16.1
50 or more stores	*	2.3	7.2

* Less than 0.1%.

Concentration of Largest Furniture Store Firms: 1982
(Retail establishments with payroll)

	Stores	Sales (mil. $)	Percent of Sales	
			Stores	Sales
All firms*	26,609	$17,223.4	100.0%	100.0%
4 largest firms	187	875.4	0.6	5.1
8 largest firms	387	1,327.5	1.3	7.7
20 largest firms	696	2,122.2	2.4	12.3
50 largest firms	1,216	2,974.6	4.1	17.3

* Based on 24,926 firms in operation anytime during the year 1982.

Source for both tables: U.S. Bureau of the Census
1982 Census of Retail Trade

Furniture Stores (continued)

Sales volume figures are reported for furniture stores with payroll in operation the entire year 1982--of which there were 28,372 with sales totaling $16.4 billion (out of the total of $17.2 billion reported for stores in operation anytime during the year).

Over half (54.9%) of furniture stores (with payroll) sales in 1982 were concentrated among furniture stores with sales of $1.0 million or more--4,099 stores, or 14.4% of the total count.

Detailed 1982 census data on stores (and merchandise lines) is limited to retail establishments with payroll. In 1977, however, the census showed a total of 36,210 furniture stores in operation, of which 8,211 had no paid employees. While such stores represented 22.7% of the total store count, they accounted for only 2.7% of furniture store sales.

Furniture Stores (In Operation Entire Year) By Sales Size: 1982
(Retail establishments with payroll)

	1982		Percent of Total	
	Stores	Sales (mil. $)	Stores	Sales
Total	28,372	$16,416.3	100.0%	100.0%
Annual sales:				
$ 5.0 mil. or more	231	2,145.3	0.8	13.1
2.5 mil. -- $ 4.9 mil.	596	2,020.3	2.1	12.3
1.0 mil. -- $2.49	3,272	4,842.1	11.5	29.5
0.5 mil. -- $0.9	5,164	3,602.5	18.2	21.9
Under $500,000	19,109	3,806.1	67.4	23.2

Source: U.S. Bureau of the Census,
1982 Census of Retail Trade

Current information on total furniture store sales is published by the Census Bureau in the Monthly Retail Trade report series. These sales figures are estimates for all stores -- including those with payroll and those without paid employees. In County Business Patterns, the Bureau publishes estimates on an annual basis covering the number of stores with payroll.

Retail sales in furniture stores amounted to $27.2 billion in 1987, an increase of 4.7% over 1986. By comparison, in 1986, sales increased 9.8% over 1985. Sales in November and December of 1987 represented a lower share of the total than in previous years, reflecting consumer lethargy during that period.

RETA[illegible]ES BY STORE TYPE

Furniture Stores (continued)

Furniture Stores: Number of Stores & Total Sales - 1984-1987

	1987(p)	1986	1985(r)	1984(r)	% Change 1987/86	% Change 1986/85
Total furniture sales (mil. $)	$27,257	$26,034	$23,714	$22,143	4.7%	9.8%
Number of stores (with payroll)	na	na	29,331	29,996	na	na

(p) preliminary (r) revised na not available

Source: U.S. Bureau of the Census, Monthly Retail Trade; County Business Patterns, 1985

Seasonal Pattern in Furniture Store Sales
Percent of Year's Sales By Months, 1984-1987

Year	Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1987	100.0%	7.6%	7.4%	8.5%	8.1%	8.5%	8.4%	8.4%	8.5%	8.3%	8.5%	8.6%	9.2%
1986	100.0	7.4	6.9	7.8	7.6	8.4	8.2	8.4	8.9	8.7	8.8	9.1	10.0
1985	100.0	7.4	7.1	8.0	7.7	8.4	8.2	8.1	8.9	8.2	8.6	9.4	10.0
1984	100.0	7.3	7.2	8.1	7.8	8.3	8.6	8.1	8.8	8.2	8.7	9.2	9.7

Source: Based U.S. Bureau of the Census
Revised Monthly Retail Sales & Inventories (BR-13-86S)

In 1985, 29,331 stores employed 224,708 workers with an annual payroll of $3.3 million. Small stores, employing one to four workers, accounted for half of all stores but only 12.2% of total annual payroll. On the other hand, although only 15.7% of stores have 10 to 19 workers, these stores represent roughly 27% of all employees and 27% of total annual payroll.

Furniture Stores By Employee Size: 1985

	Stores		Employees		Annual Payroll	
	No.	%	No.	%	Thous. $	%
Total	29,331	100.0%	224,708	100.0%	$336,144	100.0%
Employment size:						
1 to 4	14,758	50.4	30,427	13.5	407,272	12.2
5 to 9	7,902	26.9	52,553	23.4	712.376	21.4
10 to 19	4,619	15.7	61,137	27.3	909,688	27.2
20 to 49	1,670	5.7	46,502	20.7	744,295	22.3
50 to 99	285	1.3	19,173	8.5	321,941	9.7
100 to 249	91		12,605	5.6	206,134	6.2
250 or more	6		2,311	1.0	34,438	1.0

Source: U.S. Bureau of the Census, County Business Patterns, 1985

RETAIL SALES BY STORE TYPE

Furniture Stores (continued)

The 25 Leading Furniture Stores, 1985, 1986
Sales (Mil. $)

		1986	1985	% Change 1986/85	Number of Stores 1986	Sales Per Square Foot 1986
1	Levitz, Miami	$839.5	$787.1	+ 6.7%	105	$162
2	Rhodes, Atlanta	234.5	197.3	+18.9	83	112
3	Seaman's, Uniondale, NY	230.0*	168.0*	+36.9	27	450
4	Breuners, San Ramon, CA	215.0*	209.0*	+ 2.9	17	133
5	W.S. Badcock, Mulberry, FL	210.0	190.0	+10.6	235	105
6	Haverty's, Atlanta	188.7	176.6	+ 6.9	72	133
7	Pier One, Fort Worth	181.6	140.7	+29.1	350	114
8	Reliable, Columbia, MD	155.0	160.0	- 3.2	97	na
9	Heilig-Meyers, Richmond, VA	141.0	94.8	+50.0	226	na
10	Wickes, Wheeling, IL	135.0*	135.0*	--	16	na
11	Nebraska Furniture Mart, Omaha	132.0	120.0	+10.0	1	644
12	Art Van, Warren, MI	110.0*	na	--	13	na
13	Finger's, Houston	110.0*	97.0*	+13.4	8	na
14	Scandinavian Design, Natick, MA	108.0	103.0	+ 4.9	68	355
15	RB Furniture, Santa Ana, CA	105.0	115.0	- 8.7	53	120
16	Value City, Columbus, OH	100.7	95.0	+ 6.0	30	na
17	McMahon's,Carlsbad, CA	94.2	na	--	88	74
18	McMahon's, Santa Monica, CA	90.0	na	--	61	na
19	Cousin's, San Diego	81.8	110.8	-26.2	23	192
20	Huffman Koos, Hackensak, NJ	79.0*	69.8*	+13.2	9	na
21	Big Sur, Denver+	73.0*	na	--	48	na
22	Barker Bros., Los Angeles, CA	68.5*	60.5*	+13.3	12	na
23	Sun Valley Waterbeds, Phoenix+	67.6	48.0	+40.9	67	123
34	Scandinavian Design, Evanston, IL	64.6	67.7	- 4.6	87	113
35	General Home Furnishings, Rochester, NY	58.2	51.0	+14.2	89	96

* An HFD estimate
+ bedding specialist
na not available

Source: HFD - The Weekly Home Furnishings Newspaper
June 22, 1987

Department Stores

As previously noted, in the 1982 Census of Retail Trade, which is the latest official source of information on sales by type of outlet, department stores accounted for 16.2% of total furniture and bedding sales in retail outlets with payroll that year. A detailed breakdown in reported sales was reported as noted below.

Department Stores (continued)

Department Store Sales of Furniture & Bedding, 1982

	Establishments*		Sales of specified merchandise lines		
				Percent of total sales of	
	Number	Percent	Sales (thous.$)	Estabs. selling the line	All Estabs.
Department stores, total	9,981	100.0%	$99,170,163	—	100.0%
Furniture & bedding	8,162	81.8	3,099,952	3.6%	3.1
Upholstered furniture	3,367	33.7	726,878	1.4	0.7
Other living room, dining room, bedroom furniture	3,798	38.0	785,545	1.5	0.8
Bedding, sleep furniture, mattresses, etc.	3,725	37.3	808,595	1.5	0.8
All other furniture	6,954	69.7	782,934	1.1	0.8

* Each store location is separately counted as an "establishment". Department stores include both traditional department stores and discount department stores which meet the definition of this store type under the Standard Industrial Classification (SIC) system. Department stores operated by mail order chains (such as Sears) are included in the above table. (By definition, all department stores have 25 or more paid employees.)

Information on typical merchandising and oeprating results (medians) for department stores by department are compiled annually by the National Retail Merchants Association.

Selected 1986 Merchandising & Operating Results in Furniture & Bedding Departments in Department Stores in Specified Sales Volume Groups
(Median Results)

	Total Store Sales	
	$2 Million & Over	$100 Million & Over
Total number reporting	(44)	(23)
Net sales, % change from last year	3.0	8.3
Sales, % of total store	3.2	4.3
Cumulative markon, %	46.5	46.5
Gross margin, % of net sales	37.1	39.8
Markdowns, % of net sales	12.5	12.5
$ sales per sq. Ft. of selling space	74.5	na
Number of stock turns (times)	1.9	2.3

na not available

Source: National Retail Merchants Association
Merchandising & Operating Results 1987 Edition

RETAIL STORES BY SALES TYPE

Department Stores (continued)

The 25 Department Stores Leading In Furniture Sales, 1986, 1985

		Furniture Sales (Mil. $)		% Change	Number of Branches Carrying Furniture
		1986	1985	1986/85	1986
1	Sears+	$750.0*	na	--	[illegible]
2	Montgomery Ward+	530.0*	na	--	400
3	J.C. Penney	400.0*	na	--	320
4	Macy's, NY/Macy's, NJ	154.0*	$140.0*	+ 10.0	24
5	Bloomingdale's	70.0*	56.7*	+ 23.5	14
6	Dayton Hudson	68.0	na	--	16
7	Macy's California	65.0*	60.0*	+ 8.4	15
8	The Broadway	55.6*	52.5*	+ 5.9	40
9	Abraham & Strauss	54.25*	50.2*	+ 8.2	13
10	Burdines	49.5*	45.4*	+ 9.1	18
11	Marshall Field	40.0	na	--	4
12	Mercantile Stores	39.7*	35.0*	+ 13.5	22
13	May Co., CA	38.7*	36.2*	+ 6.9	30
14	The Bon	38.4	31.7*	+ 21.2	13
15	Foley's	37.5	37.5*	--	14
16	Emporium Capwell	35.0	32.1*	+ 9.1	19
17	Woodward & Lothrop	33.9*	30.5*	+ 11.2	15
18	Macy's Atlanta	33.0*	na	--	17
19	Rich's	32.5*	25.0*	+ 30.0	17
20	Hecht's	32.2*	30.2*	+ 6.7	18
21	Jordan Marsh, Boston	31.0*	28.9*	+ 7.3	12
22	Bullock's	27.5*	25.0*	+ 10.0	17
23	Lazaraus	26.3*	23.3*	+ 12.9	23
24	Robinson's	26.3*	na	--	17
25	Stern's	23.5	17.8*	+ 32.1	11

+ The national chains, Sears, Montgomery Ward and J.C. Penney are included for the first time in HFD's Top Department Stores list.
* Estimated figures
na not available

Source: HFD - The Weekly Home Furnishings Newspaper
June 22, 1987

RETAIL SALES: REGIONS/METROPOLITAN AREA

The regional pattern in furniture and bedding sales, based on estimates compiled by Sales & Marketing Management magazine, shows the South Atlantic region accounting for 19.3% of sales in 1986, followed by the Middle Atlantic region with a 16.4% share.

On a metropolitan area basis, New York is credited with the largest share (4.3%) of 1986 sales, followed by Los Angeles/Long Beach.

Estimated Furniture & Bedding Sales by Region, 1986
($ Mil.)

	Sales	% of US Total
Total U.S.	$ 30,742.2	100.0%
New England	1,714.8	5.6
Middle Atlantic	5,054.5	16.4
East North Central	4,750.5	15.5
West North Central	1,967.6	6.4
South Atlantic	5,941.4	19.3
East South Central	1,724.0	5.6
West South Central	3,324.2	10.8
Mountain	1,616.5	5.3
Pacific	4,648.5	15.1

Source: Sales & Marketing Management
Survey of Buying Power (1987 Edition)

The Top 10 Metropolitan Markets Based on Sales of Furniture & Bedding, 1986

Rank	Metropolitan Market	Furniture & Bedding Sales (Mil. $)	% of U.S. Total
1	New York, NY	$1,305.6	4.3%
2	Los Angeles/Long Beach, CA	1,187.0	3.9
3	Chicago, IL	923.5	3.0
4	Philadelphia, PA	688.7	2.2
5	Washington, DC	670.0	2.2
6	Boston/Lawrence/Salem/ Lowell/Brockton, MA	593.1	2.0
7	Detroit, MI	578.1	1.9
8	Houston, TX	497.2	1.7
9	Nassau/Suffolk, NY	487.6	1.6
10	Atlanta, GA	417.5	1.4
	Sub Total, Top 10 Metro Area	7,348.4	24.2
	U.S. Total	$30,742.2	100.0%

Source: Sales & Marketing Management, Survey of Buying Power (1987 Edition)

CONSUMER PRICE INDEX

Consumer Price Indexes for Specified Furniture & Bedding Items 1984-1986

(1977 = 100 unless otherwise specified)

	Annual Averages			% Change	
	1986	1985(r)	1984	1986/85	1985/84
All Items (1967 = 100)	328.4	322.3	307.6	+ 1.9%	+ 4.8%
Furniture & Bedding (1967 = 100)	233.9	228.8	219.5	+ 2.2	+ 4.3
Bedroom furniture	170.8	161.1	150.9	+ 6.0	+ 6.8
Sofas	126.0	122.6	120.9	+ 2.8	+ 1.4
Living room chairs & tables	130.6	128.0	127.2	+ 2.0	+ 0.7
Other furniture	144.7	147.7	139.7	- 2.0	+ 5.8

(r) revised

Source: U.S. Department of Labor
Bureau of Labor Statistics

RETAIL ADVERTISING

Percent of Year's Total Newspaper Advertising Linage Done By Retailers Each Month, 1986

Month	Bedroom Sets	Dinette Sets	Dining Room Sets	Living Room Chairs & Recliners	Mattresses	Sofas
January	8.7%	8.6%	7.5%	7.3%	8.7%	8.8%
February	9.0	10.5	10.5	7.5	9.2	9.5
March	6.6	6.1	6.5	7.0	8.7	6.5
April	8.7	7.3	6.5	6.3	7.8	9.7
May	8.8	9.3	7.5	9.5	8.7	10.6
June	8.8	6.6	7.3	9.8	7.4	7.4
July	8.2	9.7	7.0	5.7	8.2	7.9
August	9.2	8.9	8.5	9.2	10.7	11.2
September	9.6	8.5	8.2	6.3	8.1	7.0
October	9.9	10.2	9.7	11.2	9.0	9.3
November	7.5	9.4	14.7	10.8	8.7	7.3
December	5.0	4.9	6.1	9.4	4.8	4.8

Source: The Advertising Checking Bureau, Inc.; 1986
Newspaper Advertising Bureau, Inc.

RETAIL ADVERTISING EXPENDITURES

According to an analysis of 10-K reports filed by publicly owned companies with the Securities & Exchange Commission, advertising expenditures in 1986 represented 5.8% of the total sales of furniture stores. This compares with a 5.8% share again reported in 1985, and 7.2% in 1982. Included in the figures are all expenditures classified as "advertising expense" by the reporting company, and estimates are also subject to differences in classification systems. Media and nonmedia advertising and production costs are included.

Furniture Store Advertising Expenditures: 1982-1986

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate %
1986	5.8%	12.9%	14.3%
1985	5.8	14.9	21.8
1984	7.1	18.2	12.1
1983	6.8	17.0	5.9
1982	7.2	18.7	1.6

* margin is net sales less cost of goods sold

Source: Pansophic Systems and Schoenfield & Associates (Advertising Age)

CONSUMER MARKET POTENTIAL

New Home Buyers

In July and October 1985, Simmons Market Research Bureau (SMRB) conducted a survey for New Home Magazine of 1,259 owners of single-family dwellings and condominiums costing more than $70,000. The market study revealed purchasing patterns during the first year of ownership and compared these buyers of better homes to the SMRB national averages. Of these buyers of better homes, who are better educated and more affluent than the national average, 69.2% previously purchased or owned a home and 30.8% were purchasing their first home. About half had lived in their homes for less than six months. The data indicated that 90.8% spent up to $3,600 on new furnishings within the past 12 months, with $2,900 more in purchases planned for the next 12 months by 73.8% of those surveyed.

Purchasing of Buyers of Better Homes Compared to the National Average
Purchasing in Past 12 Months Ending August 1985

	% of SMRB 1985 Adults	% Buyers of Better Homes
Mattresses (Not box springs)	5.6%	16.0%
Mattress and box spring sets	11.9	29.5
Bed frame and headboard	6.1	24.5
Other bedroom furniture	6.2	24.9
Recliner chair	5.5	11.5
Sofa-bed/convertible (fold-out)	3.0	13.9
Other livng room furniture	9.1	35.7
Dining room furniture	4.4	23.5
Lawn/porch furniture	6.2	33.1

Source: Simmons Market Research Bureau for New Home Magazine (March 1986)

CONSUMER BUYING POTENTIAL

New Home Buyers (continued)

According to the National Association of Home Builders, 36% percent of all new home owners will move into smaller homes than planned. Dual purpose and scaled down furniture are big sellers for this segment.

The 1986 Recent Homebuyer Survey, reported by the National Home Furnishings Association (Competitive Edge Magazine, March 1987) studied 1,600 homeowners who had recently purchased homes for $80,000 or more. The median price of these homes was $149,500, compared to a national median of $80,900 for existing homes and $95,000 for new houses. Nearly one third said they plan to purchase new bedding, 33% plan to buy new upholstered furniture, and 40% were looking for wood furniture. When asked specifically what room they were most interested in furnishing, 41% listed the living room. Another 25% said they wanted to buy furniture for the dining room and 23% were planning purchases for the family room and den. Outdoor furnishing also figured prominently in spending plans with 20% planning to buy deck or patio furniture. Only 16% of respondents said they plan to buy new bedroom furniture.

Cooking and informal eating were considered very important activities in the new home by 60% of respondents. Reading was also considered very important by 42% of the consumers, perhaps indicating why 20% of the respondents considered a sitting area in the master bedroom an important consideration.

In an HFD telephone survey of 100 people nationwide, conducted in August 1987, consumers were asked how they would prefer to spend their disposable income. Consumers overwhelmingly put vacations at number one. Apparel was ranked second followed in order by furniture, appliances/home electronics and automobiles.

CONSUMER BUYING PATTERNS

The following information is from a survey of 421 readers polled in the September 1987 HFD/Better Homes & Gardens Annual survey, 87.9% were household owners with median incomes of $38,946, and median home values of $87,499.

Bedding

Consumers covered in the survey are looking for quality and value in bedding purchases. Brand reputation and price were the most important criteria in selecting the last brand. Over half of the respondents said their most recently purchased mattress was of higher quality than their previous one, and about 29% said it was the same quality as before. More than three-quarters of the respondents said they would purchase an innerspring mattress. Almost half would choose a queen size bed. The surveyed consumers are trading up in size and are more willing to purchase queen and king size mattresses than in previous surveys.

Sales and Type of Mattress/Box Spring Would Most Likely Buy*

Total Respondents	100.0%		
Size		Type	
Queen	45.8	Innerspring	76.2
King	25.4	Waterbed	17.8
Full/Double	22.3	Foam	3.3
Twin	4.0	Other	0.2
Other	1.2	No answer	0.5

* Columns add to more than 100% due to multiple responses

CONSUMER BUYING PATTERNS

Bedding (continued)

Consumers are holding onto their old mattresses; the average length of ownership is seven years according to survey results.

Years Respondents Owned Current Mattress/Box Spring*

Total respondents	100.0%
Less than 1 year	8.8
1 - 3 years	23.3
4 - 7 years	28.3
8 - 12 years	21.9
13 - 16 years	6.4
17 - 20 years	5.9
More than 20 years	3.3
No answer	2.1
Mean	7.09 years
Median	6.29 years

Reputation of the brand, price and the availability of a warranty are the most important criteria for consumers in purchasing mattresses and boxsprings, who emphasize value in shopping for durables.

Most Important Criteria in Selecting Last Mattress/Box Spring Brand*

Total Respondents	100.0%
Reputation of Brand	77.9
Price	72.2
Warranty	64.1
Trying Different Types in Store	46.1
Reputation of Store	39.7
Satisfaction with Previous Brand	38.7
Consumer Information Publications	35.2
Recommendation of Friends/Relatives	16.6
Recommendation of Salesperson	16.4
Other	34.9
No answer	1.4

Furniture

Thirty percent of respondents preferred traditional as opposed to the 15% who like contemporary furniture. Country was preferred by one-third of the respondents. However this category included casual furniture, which many retailers call contemporary.

---

* Columns add to more than 100% due to multiple responses

Furniture (continued)

Style of Furniture Most Preferred*

Total Respondents	100.0%
Country (casual)	34.4
Traditional	29.7
Eclectic	18.8
Contemporary	14.7
Early American	8.3
Formal English/French	5.7
Victorian	5.0
Oriental	2.9
French Provincial	2.6
Mediterranean	1.0
Italian	0.7
Other	1.9
No Answer	0.7

The overwhelming majority of consumers who responded to the survey plan to purchase fully upholstered pieces. Although only 5% of consumers wanted a leather sofa, this figure is expected to rise in the next few years.

Type of Living Room Sofa Respondents Will Purchase*

Total Respondents	100.0%*
Fully Upholstered	92.4
Leather	5.0
Wicker/Rattan	2.9
No answer	0.5

Consumers are doing their homework prior to making major furniture purchases. Almost three-quarters of the respondents shopped furniture stores to get ideas for their home. More than 50% looked in the paper for furniture ads, and half referred to mass merchant and manufacturer catalogs for shopping tips. Comfort, construction and durability are top priorities for consumers. However, brand name was not a priority in the decision making process. Though more than half of the respondents cited price as an important factor in making a selection, it was not as keen an issue as in previous surveys. Almost 31% would be willing to pay between $700 and $899.

Most Important Factors in Last Purchase Decision*

Total Respondents	100.0%
Comfort	86.7
Construction	74.6
Durability	63.2
Price	57.0
Styling/design	56.8
Fabric	45.4
Soil/stain resistant fabric	32.2
Guarantee/warranty	21.1
Manufacturers reputation	19.0
Retailer's reputation	18.5
Size	17.8
Wood finish	17.6
Brand name	8.1
Delivery time	3.3
Decorator	2.4
Other	0.5
No answer	0.7

Furniture (continued)

Price Respondents Would Be Willing To Pay for a Living Room Sofa

Total Respondents	100.0%
Under $400	4.3
$400 - $499	10.5
$500 - $699	31.1
$700 - $899	30.6
$900 - $1299	17.6
$1300 or more	5.5
No answer	0.5
Mean	$ 755.4
Median	$ 724.6

When choosing a piece of upholstered furniture, most respondents preferred stationary fully upholstered pieces. However, more than 28% said they would consider a sleep sofa when making their next purchase.

Preferred Type of Upholstered Furniture on Next Purchase*

Total Respondents	100.0%
Stationary Sofa	48.2
Sleep Sofa	27.6
Recliner	15.7
Sofa with incliner or recliner	12.6
No answer	0.7

The increased interest in ready-to-assemble (RTA) furniture can be noted in that fully 73% of all respondents believe the quality of such furniture has improved in recent years, and 30% have bought ready-to-assemble furniture in the first year. RTA bookcases, entertainment centers, and wall systems are among the items they would consider purchasing.

Type of RTA Furniture Respondents Would Consider Purchasing*

Total Respondents	100.0%
Bookcases	48.9
Entertainment Centers	34.9
Wall Systems	26.6
Home Office Furniture	13.8
Bedroom Furniture	3.6
Dining Room Furniture	1.7
No Answer	17.1

* Columns add to more than 100% due to multiple responses

Source: HFD - The Weekly Home Furnishings Newspaper
December 14, 1987

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements, working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels. It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available © 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available © 1986.)

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SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

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THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

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WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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Market Research Division
Fairchild Publications, New York

Hosiery/Legwear/Bodywear
(Men's, Women's, Boys', Girls')

FAIRCHILD FACT FILE

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HOSIERY/LEGWEAR

(Men's, Women's, Boys', Girls')

Market Trends

Hosiery mills in the U.S. managed a slight gain in total output in 1987 to bring the production level to a new peak of almost 320 million dozen pairs. The gain of less than 1% compared with 1986 followed a 5.2% increase reported by the National Association of Hosiery Manufacturers for 1986 compared with 1985.

The overall output of the largest category, sheer types of hosiery for women and girls, knit on 300 needles or more, which represented 52% of total U.S. hosiery output last year, held at about the 1986 level, while output of men's socks registered a 5.2% decline. The biggest gain was in production of socks for women, boys and girls, which increased 54% in 1987 compared with the previous year.

Marketers were watching the trend in women's hemlines. Up or down significantly has an impact on women's hosiery purchases by style. The current trend to multiple lengths is seen as encouraging for the legwear business. Miniskirts can trigger a turn away from knee socks toward pantyhose and tights. The long lengths in vogue in recent years helped growth in thigh-highs, knee socks and other socks. The latter, however, was spurred by the fact that millions of women decided to wear athletic footwear, with socks, for streetwear, as well as to participate in fitness activities.

Hosiery has come a long way from being classified as a staple in women's wardrobes -- and in men's, boys' and girls', too, for that matter. Socks have become a key fashion accessory, and mills specializing in this business had a very good 1987. If there is a downturn in the economy in 1988, as expected in some quarters, accessory items usually benefit, as consumers can update wardrobes at relatively low cost.

Hosiery styles require quick shifts and quick reaction to the marketplace, and this should help the U.S. industry meet the growing competition from imports. Imports, however, still represent less than 5% of the total U.S. market's new supply. U.S. mills are installing new knitting machinery and improving finishing operations to gear up to quick response needs.

A factor clouding the business outlook in 1988 is the availability of Lycra spandex and cotton. As key fibers in hosiery/legwear, makers are concerned about the price increases necessary to offset the high costs of raw materials.

The bulk of sheer hosiery business in 1988 will continue to come from the basic styles, which represent 70 to 80% of most resources volume; but fashion legwear is expected to grow along with the increase in multiple lengths and component dressing.

AT THE MANUFACTURER LEVEL

The U.S. Bureau of the Census compiles detailed industry information every five years in the Census of Manufactures, the latest of which covered the year 1982. In intercensal periods, the Bureau compiles an annual survey among samples of manufacturers to provide estimates on key measurements of manufacturing activity.

GENERAL INDUSTRY STATISTICS

Hosiery, Total (SIC 22B)

(Dollar figures are in current dollars)

	1982*	1977*
Number of companies	526	528**
Number of mills	586	580
Number with 20 or more employees	353	422
Employees, total (thous.)	49.2	55.5
Production workers (thous.)	--	--
Payroll (mil. $)	$ 481.6	$ 403.1
Value added by manufacture# (mil. $)	912.3	750.9
Value of industry shipments## (mil. $)	2,079.6	1,609.9
Capital expenditures, new (mil. $)	32.4	45.7

Women's Hosiery, Including Tights, Etc. (Not including Socks) (SIC 2251**)

	1985	1984	1982	% Change 1985/82
Number of companies	na	na	180(r)	--
Number of mills	169***	176***	206	- 18.0%
Number with 20 or more employees	120***	126	117	+ 2.6
Employees, total (thous.)	30.8	31.2	30.2	+ 2.0
Production workers (thous.)	27.4	27.5	26.7	+ 2.6
Payroll (mil. $)	$ 383.2	$ 372.1	$ 311.1	+ 23.2
Value added by manufacture# (mil. $)	914.0	969.2	777.4	+ 17.6
Value of industry shipments## (mil. $)	1,568.2	1,654.4	1,411.3	+ 11.1
Capital expenditures, new (mil. $)	36.2	27.4	26.0	+ 39.2
Machinery & equipment (mil. $)	30.1	23.8	na	--

Hosiery, n.e.c (SIC 2252**)

	1985	1984	1982	% Change 1985/82
Number of companies	na	na	376	--
Number of mills	385***	393	420	- 8.3%
Number with 20 or more employees	248	262	263	- 5.7
Employees, total (thous.)	31.7	33.3	32.6	- 2.8
Production workers (thous.)	27.9	28.6	28.8	- 3.1
Payroll (mil. $)	$ 386.4	$ 376.5	$ 326.5	+ 18.3
Value added by manufacture# (mil. $)	698.1	707.7	617.3	+ 13.1
Value of industry shipments## (mil. $)	1,551.0	1,604.3	1,443.4	+ 7.5
Capital expenditures, new (mil. $)	31.0	35.4	31.4	- 1.3
Machinery & equipment	22.2	25.0	na	--

(footnotes continued)

GENERAL INDUSTRY STATISTICS

(footnotes from previous table)

na not available
n.e.c. not elsewhere classified
(r) revised

* The composite information on all types of hosiery mills is reported in the 1977 and 1982 Enterprise Statistics reports, which is compiled every five years. This report classifies companies by their principal product line (although they may operate plants in more than one product classification). The SIC (Standard Industrial Classification) codes, used in classifying the two component industries covered above, define the princial product of individual manufacturing mills or plants. Figures for the two component industries are not additive, as some mills make a combination of hosiery for men, women and children. In addition, the SIC system, by definition, may include mills operated by manufacturing companies classified under the Enterprise System in another industry.

** Manufacturing plants (mills) are classified by industry under the Standard Industrial Classification System (SIC) determined by the principal product made. The hosiery classifications comprise all mills primarily engaged in knitting, dyeing or finishing hosiery.

SIC 2251 covers mills making women's full-length and knee-length seamless and full-fashioned hosiery, pantyhose and women's tights.

SIC 2252 covers mills engaged in knitting, dyeing or finishing infants', children's, girls' hosiery/legwear; men's and boys' hosiery/legwear; slipper socks, leg warmers and all other types of hosiery not included in SIC 2251 such as women's socks and anklets. (In general, this covers mills knitting hosiery on less than 300 needles.)

***Information on number of mills in 1984 and in 1985 is from the Census Bureau's annual County Business Patterns report.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of materials, contract work, etc., from the value of shipments, with adjustments for finished product inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by other manufacturers, and is for most purposes the best value measure of individual industries.

Value of industry shipments includes receipts for contract work and miscellaneous receipts, as well as the value of shipments of both primary products and secondary products made in mills in the specified industries. The value of primary product shipments (hosiery), alone--plus the value of shipments of hosiery by mills classified in other industries who make hosiery as secondary products--is covered in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census: 1982 Enterprise Statistics (ES82-1); 1982 Census of Manufactures, 1984, 1985 (MC82-1-22B); Annual Surveys of Manufactures

GENERAL INDUSTRY STATISTICS

Based on reports received regularly from knitting mills producing most of all types of hosiery made in the U.S., plus estimates for non-reporting mills, the National Association of Hosiery Manufacturers (NAHM), Charlotte, NC, compiles current information on the U.S. hosiery industry and its market. The NAHM data represents a most important contribution to this Fact File.

In 1987, according to the NAHM, a total of 328 companies were producing the hosiery classifications covered, up from 303 counted in 1986. This was the highest total reported since 1978, when there were 331 companies in the industry. All of this gain, as noted in the following table, was in companies operating mills producing hosiery knit on less than 300 needles. This would not include sheer and opaque hosiery.

Along with an increase in the number of hosiery companies, the hosiery mill count in 1987 totaled 438, compared with 434 in 1986. This was the highest number since 1981, when 442 mills were operating at the end of the year. Consistent with the report on hosiery companies in operation, the increase in the mill count has been among those producing hosiery on less than 300 needles; and the recent gains are centered in the South. The current level of 438 hosiery mills compares with a total of 465 reported by the NAHM at the end of 1978.

Number of Hosiery Companies, 1982-1987
(As of end of year)

		Women's			All Other**		
Year	Total	Total	North***	South	Total	North***	South
1987	328	83	13	70	248	25	223
1986	303	86	18	68	220	20	200
1985	297	87	19	68	215	17	198
1984	283	89	21	68	198	13	185
1983	292	92	22	70	207	13	194
1982	295	92	22	70	210	13	197

Number of Hosiery Mills (Plants), 1982-1987
(As of end of year)

		Women's*(r)			All Other**(r)		
Year	Total(r)	Total	North***	South	Total	North***	South
1987	438	104	16	88	351	33	318
1986	434	110	20	90	346	32	314
1985	426	110	20	90	340	31	309
1984	428	113	22	91	339	31	308
1983	430	110	22	88	342	32	310
1982	432	110	22	88	344	32	312

(r) revised

* Covers hosiery, pantyhose, socks, etc., knit on 300 needles or more for women and girls, size 7 and up. (Some companies are included in both data designated * and **.)

** Covers hosiery knit on less than 300 needles for infants and children (size 3-8 1/2), for girls, boys and women (size 8-11); for men (size 10 and up).

***North includes the Midwest and Far West.

Source: National Association of Hosiery Manufacturers, Hosiery Statistics (Annual reports)

GENERAL INDUSTRY STATISTICS

Employment & Earnings

The U.S. Bureau of Labor Statistics reports total employment in U.S. hosiery mills in 1987 averaged 71,300, down slightly from the 1986 level. In women's hosiery mills, employment averaged 34,700, which was 1.4% below the 1986 average; while mills making other hosiery had average employment totaling 36,600, 1.1% above the 1986 level.

Production worker employment in women's hosiery mills last year was down almost 1%, averaging 31,000. In other hosiery mills, an average of 32,800 were employed in production, which was 1.2% above the 1986 average.

Weekly earnings in the women's segment last year were up 2.8% over the 1986, average, while in other hosiery mills, the average for weekly earnings registered a 4.6% gain.

Hosiery Industry Employment & Earnings: Annual Average 1984-1987

	Women's Hosiery, Except Socks (SIC 2251)*				Hosiery, n.e.c (SIC 2252)*			
	1987	1986	1985	1984	1987	1986	1985	1984
All employees (thous.)	34.7	35.2	34.9	33.9	36.6	36.2	34.6	35.1
Production workers	31.0	31.3	31.2	30.5	32.8	32.4	31.0	31.5
Av. weekly earnings	$249.48	242.65	235.52	218.68	243.43	232.76	213.23	209.44
Av. hourly earnings	6.43	6.27	6.07	5.77	6.21	6.03	5.81	5.60
Av. weekly hours	38.8	38.7	38.8	37.9	39.2	38.6	36.7	37.4

* For SIC industry definitions, see page 3.

Source: U.S. Bureau of Labor Statistics

INDUSTRY CONCENTRATION

The entire textile industry in the U.S. has undergone a period of restructuring, characterized by consolidations, mergers, and plant closings. As a result, domestic manufacturing has become increasingly concentrated among a smaller number of mills -- mainly the large mills. The hosiery segment of the industry is no exception.

The most recent figures reflecting this development are from the Census Bureau's County Business Patterns report covering 1985 operations. The total number of mills classified in the women's hosiery segment (SIC 2251) declined 7.1%, from 182 in 1983 to 169. Mills with 100 or more employees increased from 61 (33.5% of the total) in 1983 to 64 (38%) in 1985. The share of employment in this manufacturing operation accounted for by the large mills rose from 89% to 91%. Mills with 500 or more employees accounted for over 60% of total employment in this industry segment compared with 5670 in 1984.

INDUSTRY CONCENTRATION

There was a drop of 6.3% in the number of other hosiery mills -- from 411 in 1983 to 385 in 1985, according to the Census Bureau. Mills with 100 or more employees increased from 92 (22.4% of the total) to 98 (25.4%) in this period. Total employment figures by employment size class are incomplete due to restrictions on reporting on a limited number of companies; however, mills with 100 to 249 employees represented a third of the total in 1985, compared with 29.9% in 1983.

Hosiery Mills By Employment Size: 1985

	Women's Hosiery (SIC 2251)*			Hosiery, n.e.c. (2252)*		
	Mills		Employment	Mills		Employment
	No.	%	%	No.	%	%
Total mills						
Employment class	169	100.0%	100.0%	385	100.0%	100.0%
Number of employees:						
Under 10	31	18.3	0.4	86	22.3	0.7+**
10 to 19	18	10.7	0.7	51	13.2	2.2
20 to 49	32	18.9	2.6	95	24.7	9.5
50 to 99	24	14.2	5.0	55	14.3	11.8
100 to 249	21	12.4	10.2	65	16.9	33.0
250 to 499	20	11.8	20.7	27	7.0	29.0
500 or more	23	13.6	60.4	6	1.6	10.0+**

n.e.c. not elsewhere classified.

* For a definition of SIC codes, see page 3.

** Figures for very small mills and for very large mills are withheld by the Census Bureau to avoid disclosure of individual operations.

Source: U.S. Bureau of the Census:
County Business Patterns; 1985

Sales & Marketing Management Magazine (April 27, 1987) estimated that there were 119 mills in the women's hosiery industry which had 20 or more employees in 1986, and 71 of these had 100 or more employees. Comparable findings in 1985 were 132 and 77, respectively.

The number of hosiery mills making other types of hosiery (SIC 2252) with 20 or more employees was estimated at 219, of which 101 had 100 or more employees in 1986. Comparable figures reported for 1985 were 237 and 109, respectively.

The most detailed information on industry concentration levels is covered in the Census Bureau reports on the 1982 Census of Manufactures. Some information from this source (Hosiery Mills By Employment Size) was covered in the 1986 edition of this Fact File. Data since released covers the value of industry shipments accounted for by large companies with mills classified in the hosiery industry (See table below). In addition, the census reports covered the percent of shipments accounted for by all hosiery producers, regardless of industry classification. (See section on PRODUCT SHIPMENTS.)

INDUSTRY CONCENTRATION

Share of Industry Shipments Accounted For By the Largest Manufacturing Companies: 1977, 1982

Industry	No. of Companies	Total (Mil. $)	% Accounted for by Largest Companies Top 4	Top 8	Top 20	Top 50
Women's hosiery (SIC 2251)						
1982	180	$1,411.3	58	66	81	95
1977	176	871.2	50	62	78	94
Hosiery, n.e.c. (SIC 2252)						
1982	376	$1,443.4	20	29	48	70
1977	375	921.3	19	29	46	66

Value of Industry Shipments*

n.e.c. not elsewhere classified

* Includes the value of shipments of hosiery as well as secondary products, plus miscellaneous receipts for contract work, etc., by mills classified in this industry.

Source: U.S. Bureau of the Census: 1982 Census of Manufactures; Concentration Ratios in Manufacturing (MC82-S-7)

Capacity Utilization Rates

The U.S. Bureau of the Census conducts an annual survey of plant capacity which covers operations in the fourth quarter of the year. Measures on capacity utilization include a rate which is based on plant operators' preferred level of operations, i.e. generally considered to be the rate at which profits will be maximized.

Figures for 1986 (released in November 1987) reflected the relative strength of mills making non-sheer hosiery and legwear (knit on less than 300 needles), including men's hosiery. The preferred capacity utilization rate in this segment rose to 94 compared with 87 in 1985. In women's hosiery (panty-hose, sheer hosiery, etc.), the utilization rate rose from 78 to 82 in 1986.

Capacity Utilization Rates in the Hosiery Industry Fourth Quarters 1982-1986

	Preferred Rate 1986	1985	1984	1983	1982
Women's hosiery, exc. socks	82	78	83	91	92
Hosiery, n.e.c.	94	87	83	90	84

(r) revised
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census: Current Industrial Reports, Survey of Plant Capacity, (MQ-C1)

LOCATION OF THE INDUSTRY

Both of the two segments of the hosiery industry are concentrated in the South, particularly North Carolina. According to the 1982 Census of Manufactures, compiled by the Census Bureau, North Carolina had 116 (56%) of the 206 mills counted in the women's hosiery segment, and these mills had a 58.5% share of the value added by manufacture by all women's hosiery mills. Of the 420 other hosiery mills, 274 (65.2%) were in North Carolina, and these mills accounted for 59.4% of value added by manufacture.

The NAHM has reported that North Carolina mills accounted for 52.5% of production of hosiery of all types covered by the association in 1987. This was down from some 56% in 1985 and 1986. The next most important state was Alabama, which held a 10.4% share of 1987 hosiery production.

North Carolina notably dominates the production of women's sheer hosiery, accounting for 72.5% of 1987 production, according to the NAHM, down from 75.4% in 1986, but comparing with 58.8% in 1983. Of total production of women's pantyhose in 1987, North Carolina had a 43.3% share. This share, however, has been trailing downward from the better-than-49% level noted in 1983 and 1985. Other Southern states have picked up the slack.

In the production of socks and anklets of all types, North Carolina accounted for 51.8% in 1987; Alabama, 22%; Tennessee, 10.7%; other Southern states, 4.2%. Mills in Pennsylvania lost a lot of ground, with share of production noted at only 1.3% in 1987 compared with 3.9% in 1986, 4.7% in 1985.

NATIONAL ADVERTISING

Expenditures for Space/Time in Major Media By Hosiery Manufacturers: 1984, 1986, 1987

	1987	1986	1984	% Change 1987/86
Measured media total	$64,751.2	$62,434.9	$88,783.0	+ 3.7%
Network television	39,180.1	38,879.4	57,975.5	+ 0.7
Cable TV network	866.0	1,176.8	nr	- 26.4
Spot television	676.5	1,961.7	8,836.3	- 65.5
Consumer magazines	19,731.0	16,912.5	19,108.6	- 16.7
Network radio	3,467.2	2,788.3	1,773.7	+ 24.3
Newspaper supplements	571.2	297.3	1,084.4	+ 92.1
Outdoor	259.2	418.9	4.5	- 38.1

Source: Leading National Advertisers (LNA)

NATIONAL ADVERTISING

Hosiery advertising directed to consumers is dominated by the Sara Lee Corporation (formerly Consolidated Foods Corporation). In 1987, this advertiser spent $50,159.5 thousand in measured media, 77.5% of the total on hosiery. This company has strong brands produced in the Hanes Hosiery and L'eggs Products Divisions. The 1986 total spent for space and time was up 18% over the 1986 total. The company spent $29,751.6 thousand for network television time advertising hosiery in 1987; this was 76% of the TV time total on hosiery.

The second largest advertiser in measured media in 1987 was the Wickes Companies, Inc., owners of the No Nonsense, Cameo, Leg Looks, Interwoven, Supphose, Adler and other brands, with spending totaling $11.2 million, down from $15.1 million in 1986. Most of the total in both years went for network TV advertising -- a total of $9.4 million in 1987. (In March 1988, Wickes announced negotiations were underway to sell their Kayser-Roth Hosiery Group to members of the unit's management and Narragansett Capital Corp., Providence, RI.)

Palm Beach (Evan Picone, Teddy Hosiery) ranked thrid in 1987 ad expenditures, at $494.1 thousand, almost all for magazine space. Eaglewood (Danskin, Eaglewood, Round the Clock) spent a total of $486 thousand -- mostly for spot TV exposure. The 1987 total was down from $1.2 million spent in 1986 -- all in consumer magazines.

PRODUCTION

Total production of all types of hosiery in 1987, according to the NAHM, gained less than 1% over the 1986 total, reaching 319,911 thousand dozen pairs. This small gain, however, was enough to establish a new peak for the industry.

The pattern in growth varied by industry segment, however. Sheer types of women's and girls' hosiery (knit on 300 needles or more), which represented 52% of all hosiery production in U.S. mills in 1987, held just slightly below the 1986 level. Pantyhose, the major segment--accounting for 72% of the sheer hosiery category--managed a gain in output of 1.5%. Elastomer pantyhose, however, registered a 7.7% gain. Men's hosiery (size 10 and up, knit on less than 300 needles), which represented 20% of the 1987 hosiery total, declined 5.2% in production compared with 1986.

PRODUCTION

A growing young children's market was reflected in the 4.4% rise in hosiery for infants and children, while continued interest in casual wear and the active look sparked a 5.4% increase in production of footsocks, anklets, knee-highs, etc. for girls, boys, and women.

Further details on trends in specific types of hosiery are covered in the section on PRODUCT SHIPMENTS.

Production of Hosiery By Major Types: 1982, 1985-1987
(Dozens of pairs in thousands)

	1987	1986	1985	1982	% Change 1987/82
Hosiery, total	319,911	319,121	303,350	281,768	+ 13.7%
Infants' & children's, sizes 3 - 8 1/2	29,631	28,366	26,353	25,764	+132.0
Footsocks	522	555	699	618	- 15.5
Anklets	16,929	16,640	14,200	16,055	+ 5.4
Mid-calf/crew	7,855	6,711	5,721	1,446	+443.2
Knee-highs	3,331	3,507	4,579	6,653	- 49.9
Waist-highs	983	931	1,129	992	- 0.9
Stockings	11	22	25	*	--
Girls', boys', women's, (sizes 8-11, knit on less than 300 needles), total	59,271	56,246	49,287	46,324	+ 27.9
Footsocks	5,944	6,359	6,127	6,503	- 8.6
Cushion*	4,671	5,436	5,403	6,121	- 23.7
Non-cushion	1,273	923	724	382	+233.2
Anklets	29,071	27,406	19,397	11,875	+144.8
Cushion*	9,574	11,034	7,967	4,321	+121.6
Non-cushion	19,497	16,372	11,430	7,554	+158.1
Mid-calf/crew	12,142	8,205	6,238	3,984	+204.8
Cushion*	4,320	4,135	4,141	2,982	+ 44.9
Non-cushion	7,822	4,070	2,097	1,002	+680.6
Knee-highs	11,423	13,743	17,006	23,403	- 51.2
Cushion*	6,238	5,788	7,549	6,958	- 10.3
Non-cushion	5,185	7,955	9,457	16,445	- 68.5
Stockings	35	35	60	79	- 56.0
Waist-highs (tights) size 7 & up	656	498	459	480	+ 36.7

(continued)

Production of Hosiery By Major Types: 1982, 1985-1987

(Dozens of pairs in thousands)
(continued)

	1987	1986	1985	1982	% Change 1987/82
Women's & girls' hosiery, pantyhose, stockings, tights, footsocks, etc., (knit on 300 needles or more), total	166,853	166,858	160,326	147,678	+ 13.0%
Pantyhose	119,886	118,103	114,267	105,076	+ 14.1
Sheer (yarn under 30 denier)	53,662	57,251	57,947	58,491	- 8.3
Opaque (yarn of 30 denier & over)	8,030	6,358	5,245	2,399	+234.7
Elastomer (spandex-type yarn throughout leg &/or panty)	56,018	52,018	49,011	43,226	+ 29.6
Other (tights, size 7 & up)	2,176	2,476	2,064	960	+126.7
Stockings	4,201	3,475	3,832	4,477	- 6.2
Non-stretch	1,566	1,243	1,216	1,463	+ 7.0
Stretch	2,200	1,839	2,209	2,434	- 9.6
Support	389	325	358	540	- 28.0
Other	46	68	49	40	+ 15.0
Other women's hosiery	42,766	45,280	42,227	38,125	+ 12.2
Footsocks	193	324	330	372	- 48.1
Anklets	664	629	635	756	- 12.2
Knee-highs	41,899	44,309	41,220	39,979	+ 4.8
Mid-calf/crew	10	18	42	--	--
Men's hosiery (size 10 & up, knit on less than 300 needles), total	64,156	67,651	67,384	66,002	- 2.8
Cushion*	31,861	32,511	35,101	31,562	+ 0.9
Non-cushion	32,295	35,140	32,283	30,440	+ 6.1
Footsocks	1,012	786	959	352	+187.5
Cushion*	861	647	716	144	+497.9
Non-cushion	151	139	243	208	- 27.4
Anklets	25,851	25,805	25,083	26,723	- 3.3
Cushion*	4,816	3,815	4,461	5,882	- 18.1
Non-cushion	21,035	21,990	20,622	20,841	+ 0.9
Mid-calf/crew	18,868	19,592	17,583	17,274	+ 9.2
Cushion*	11,058	10,365	9,775	11,132	- 0.7
Non-cushion	7,810	9,227	7,808	6,142	+ 27.2
Knee-highs	18,425	21,468	23,759	17,653	+ 4.4
Cushion*	15,126	17,684	20,149	14,404	+ 5.0
Non-cushion	3,299	3,784	3,610	3,249	+ 1.5

* Has some terry or cushion construction.

Source: National Association of Hosiery Manufacturers, Hosiery Statistics (Annual Reports)

PRODUCTION

Fiber Consumption

The popularity of casual legwear as a key fashion accessory, particularly anklets, crew socks, and tights, as well as hosiery with terry cushioning, is reflected in the increase in cotton consumption in the hosiery industry in the U.S. Consumption of manmade fibers, which was 85% of the industry's total fiber consumption in 1984, declined to a 73% share in 1986, according to latest figures compiled by the Textile Economics Bureau. Cotton's share increased from 21% in 1984 to 26% in 1986. Aggressive advertising campaigns are given credit for cotton's gain in popularity. Wool held a 1.3% share in 1986 vs. 1.2% in 1984.

Production of women's sheer elastomer pantyhose rose 7.7% in 1987 compared with 1986, and was up about 30% compared with 1982. Nylon-and-Lycra spandex produced by DuPont, an improved sheer stretch fiber, has been a major factor in the growth in popularity of this type of pantyhose. Elastomer pantyhose represented 47% of sheer pantyhose production in 1987 compared with 44% in 1986, according to the NAHM. Production of stretch stockings for women went up 19.6% in 1987 over 1986 through 2,200 thousand dozen pairs, but this was below the peak of 2,712 thousand dozen in 1983.

The multiple skirt lengths currently in fashion has generated more interest in a total wardrobe concept in legwear, including leggings, leotards, tights, and streetwear styles, which increases the demand for new fiber treatments, as well as in new knitting technology. Combinations of antron nylon and Lycra are also offered in new bodywear lines. A shortage of Lycra spandex, as well as the growing cost of manmade fibers and of cotton are noted as major concerns of the hosiery industry at the present time.

While nylon is the dominant fiber in women's hosiery, acrylic fibers are the major component of men's hosiery. High bulk acrylic is used extensively in athletic socks. Cotton accounts for a major share of fiber consumed in the growing market for anklets and footsocks for girls, boys and women.

Fiber Consumption By Hosiery Type: 1985, 1986
Total & Percent Accounted For By Cotton
(Quantity in thousands of pounds)

	1986(p)		1985	
	Total	% Cotton	Total	% Cotton
Men's hosiery:	88,094	33%	87,725	31%
Anklets	32,772	15	31,855	14
Footsocks	479	38	585	30
Knee	28,982	42	32,075	40
Mid-calf	25,861	45	23,210	41
Women's full-length hosiery & pantyhose	104,462	3	100,980	3
Full-length	11,227	0	10,613	0
Pantyhose	93,235	3	90,367	3

(continued)

Fiber Consumption (continued)

Fiber Consumption By Hosiery Type: 1985, 1986
Total & Percent Accounted For By Cotton
(Quantity in thousands of pounds)
(continued)

	1986(p)		1985	
	Total	% Cotton	Total	% Cotton
Other hosiery:	61,161	50%	56,671	42%
Anklets & mid-calf	37,829	60	28,476	53
Girls, boys', women's	28,489	64	20,508	56
Children's, infants'	9,340	48	7,968	47
Footsocks	3,347	59	3,274	57
Girls', boys', women's	3,180	59	3,064	58
Children's, infants'	167	58	210	44
Knee	19,985	29	24,921	28
Girls', boys', women's	17,179	29	21,268	28
Children's, infants'	2,806	30	3,663	26

(p) preliminary

Source: National Cotton Council of America: Cotton Counts Its Customers

Textile Fibers Consumed in U.S. Production of Hosiery, 1982-1986
(Millions of pounds)

	1986	1985	1984(r)	1983	1982	% Change 1986/85	% Change 1986/82
Total fibers	295.6	275.0	276.5	275.9	244.6	+ 7.5%	+ 20.8%
Sheer hosiery, total reported*	90.7	86.4	86.0	80.7	71.6	+ 5.0	+ 26.7
Man-made, total	87.2	83.0	82.6	77.2	68.5	+ 5.1	+ 27.3
Cotton	3.5	3.4	3.4	3.5	3.1	+ 2.9	+ 12.9
Anklets & socks, total**	204.9	188.6	190.5	195.2	173.0	+ 8.6	+ 18.4
Man-made, total	127.7	122.7	131.5	152.6	139.9	+ 4.1	- 8.7
Cotton	73.4	63.2	55.6	39.6	30.6	+16.1	+140.0
Wool	3.8	2.7	3.4	3.0	2.5	+40.7	+ 52.0

(r) revised

* Includes pantyhose, stockings, body stockings, leotards & tights, sheer knee-highs, sheer anklets and support hose.

**Includes footsocks, anklets, half hose, over-the-calf hosiery and non-sheer knee-highs, for all ages and both sexes. Also includes infants' and children's waist highs.

Source: Textile Economics Bureau, Textile Organon (September issues)

PRODUCT SHIPMENTS: PAIRS

Along with information on hosiery production and general industry statistics, the National Association of Hosiery Manufacturers (NAHM) tracks shipments of hosiery, by type, by U.S. mills.

The following table summarized developments in 1987 compared with 1986. Overall shipments in pairs declined 1.4% reflecting in large part the 6.2% decline noted in shipments of women's and girls' pantyhose, stockings, etc., knit on 300 needles or more. Stockings, although less than 3% of the women's/girls' total were gaining in popularity and shipments were up 19%. If short skirts win major acceptance, this may spark greater demand for pantyhose at the expense of stockings, however.

Overall, shipments of men's hosiery were down slightly, pulled lower mainly by the decline in mid-calf/crew socks, particularly non-cushion types, and in knee-highs.

Profile of Hosiery Shipments: 1986, 1987
(Quantity in dozens of pairs in thousands)

Hosiery Types	1987	1986	% Change 1987/86
Infants', children's (sizes 3-8 1/2)	28,607	27,273	+ 4.9%
Percent	100.0%	100.0%	--
Footsocks	1.9	2.2	- 13.2
Anklets	58.9	58.6	+ 5.6
Mid calf/crew	25.2	24.2	+ 9.3
Knee-highs	10.8	11.7	- 3.3
Stockings	*	0.1	- 25.0
Waist-highs	3.2	3.2	+ 2.7
Women's, girls' (sheer: knit on 300 needles or more)	153,166	163,294	- 6.2
Percent	100.0%	100.0%	--
Pantyhose	69.4	67.9	- 4.2
Sheer	31.9	32.1	- 6.9
Opaque	4.1	3.9	- 2.3
Elastomer*	31.9	30.3	- 1.1
Other (tights, etc.)	1.5	1.6	- 13.0
Stockings	2.7	2.2	+ 18.9
Other hosiery:	27.9	29.9	- 12.6
Footsocks	0.2	0.1	+ 37.2
Anklets	0.5	0.3	+ 20.2
Mid-calf/crew	#	#	- 39.1
Knee-highs	27.2	29.4	- 13.2
Girls', boys', women's hosiery (not sheer: knit on less than 300 needles)	61,191	56,312	+ 8.7
Percent	100.0%	100.0%	--
Footsocks	9.1	11.8	- 16.4
Cushion**	6.3	9.7	- 28.8
Non-cushion	2.8	2.1	+ 38.7
Anklets	52.0	48.2	+ 17.2
Midcalf/crew	19.0	14.0	+ 47.4
Knee-highs	18.6	25.1	- 19.4
Stockings	0.1	0.1	- 11.1
Waist-highs	1.2	0.8	+ 65.2

(continued)

Profile of Hosiery Shipments: 1986, 1987
(Quantity in dozens of pairs in thousands)
(continued)

Hosiery Types	1987	1986	% Change 1987/86
Men's hosiery (size 10 & up)	66,019	66,365	- 0.5%
Percent	100.0%	100.0%	---
Footsocks	1.2	1.0	+ 17.5
Cushion**	1.0	0.8	+ 20.7
Non-cushion	0.2	0.2	+ 4.6
Anklets	39.5	37.1	+ 6.0
Cushion**	7.6	6.0	+ 25.1
Non-cushion	31.9	31.1	+ 2.4
Mid-calf/crew	29.1	29.6	- 2.1
Cushion**	15.6	15.0	+ 3.4
Non-cushion	13.5	14.6	- 7.7
Knee-highs	30.2	32.3	- 7.2

# Less than 0.1%

* Elastomer pantyhose has spandex-type yarn through leg &/or panty. (See table below for types of pantyhose included.)

**Socks, etc., with terry or cushion construction.

Source: National Association of Hosiery Manufacturers (NAHM): Hosiery Statistics (Annual Reports)

Shipments of Women's Elastomer Pantyhose By Type: 1986, 1987
(Quantity in dozens of pairs in thousands)

	Quantity		Percent of Total		Percent Change
	1987	1986	1987	1986	1987/1986
Elastomer Pantyhose	48,888	49,418	100.0%	100.0%	- 1.1%
Control top	22,409	22,580	45.8	45.7	- 0.8
Under 35 denier	11,334	10,122	23.2	20.5	+12.0
Leg support 35-40 dn.	12,400	13,910	25.4	28.1	-10.9
Leg support over 40 dn.	2,745	2,806	5.6	5.7	- 2.2

Source: Based on NAHM reports

PRODUCT SHIPMENTS: PAIRS

Hosiery Shipments: 1982, 1985-1987
(Dozens of pairs in thousands)

	1987	1986	1985	1982	% Change 1987/82
Hosiery, total	308,983	313,244	308,660	288,704	+ 7.0%
Infants' & children's, sizes 3 - 8 1/2	28,607	27,273	25,808	24,825	+ 15.2
Footsocks	534	615	686	691	- 22.7
Anklets	16,866	15,977	14,335	15,207	+ 10.9
Mid-calf/crew	7,206	6,593	5,257	1,559	+ 362.2
Knee-highs	3,085	3,192	4,433	6,459	- 52.2
Waist-highs (tights)	904	880	1,069	908	- 0.4
Stockings	12	16	28	1	+1100.0
Women's & girls' hosiery (pantyhose, stockings, tights, footsocks, etc., knit on 300 needles or more), total	153,166	163,294	164,931	153,176	-0-
Pantyhose	106,274	110,894	114,681	108,242	- 1.8
Sheer (yarn under 30 denier)	48,865	52,468	59,381	60,721	- 19.5
Opaque (yarn 30 denier & over)	6,272	6,422	6,045	1,833	+ 242.2
Elastomer (spandex-type yarn throughout leg &/or panty)	48,888	49,418	47,352	44,858	+ 9.0
Other (including tights)	2,249	2,586	1,903	830	+ 171.0
Stockings	4,198	3,532	3,654	4,638	- 9.5
Non-stretch	1,618	1,196	1,109	1,752	- 7.6
Stretch	2,200	1,963	2,139	2,374	- 7.3
Support	302	282	322	460	- 34.3
Other	78	91	84	52	+ 50.0
Other women's hosiery	42,694	48,868	46,596	40,296	+ 5.9
Footsocks	317	231	289	492	- 35.6
Anklets	679	565	609	870	- 21.9
Knee-highs	41,684	48,049	45,638	38,916	+ 7.1
Mid-calf/crew	14	23	60	18	- 22.2
Girls', boys', women's (sizes 8-11, knit on less than 300 needles), total**	61,191	56,312	50,026	47,980	+ 27.5
Footsocks	5,583	6,678	6,252	6,814	- 18.1
Cushion*	3,882	5,452	5,281	6,398	- 39.3
Non-cushion	1,701	1,226	971	416	+ 308.9
Anklets	31,820	27,148	19,665	12,283	+ 159.1
Cushion*	11,339	10,318	7,544	4,830	+ 134.8
Non-cushion	20,481	16,830	12,121	7,453	+ 174.8
Mid-calf/crew	11,632	7,873	5,682	4,548	+ 155.8
Cushion*	4,488	4,013	3,683	3,493	+ 28.5
Non-cushion	7,144	3,860	1,999	1,055	+ 577.2
Knee-highs	11,399	14,134	17,889	23,776	- 52.1
Cushion*	6,112	6,064	7,242	7,082	- 13.7
Non-cushion	5,287	8,070	10,647	16,694	- 68.3
Stockings (women's)	40	45	77	67	- 40.3
Waist-highs (women's tights)	656	498	461	492	+ 33.3

(continued)

PRODUCT SHIPMENTS: PAIRS

Hosiery Shipments: 1982, 1985-1987
(Dozens of pairs in thousands)
(continued)

	1987	1986	1985	1982	% Change 1987/82
Men's hosiery (size 10 & up, knit on less than 300 needles), total	66,019	66,365	67,895	62,723	+ 5.2%
Cushion*	32,435	32,270	34,544	31,516	+ 2.9
Non-cushion	33,584	34,095	33,351	31,207	+ 7.6
Footsocks	791	673	782	291	+ 171.8
Cushion*	654	542	584	133	+ 391.7
Non-cushion	137	131	198	208	+ 34.1
Anklets	26,072	24,587	25,386	26,376	- 1.1
Cushion*	4,985	3,985	4,740	6,449	- 22.7
Non-cushion	21,087	20,082	20,646	20,927	+ 0.8
Mid-calf/crew	19,234	19,842	18,228	17,445	+ 10.2
Cushion*	10,310	9,973	9,633	10,899	- 5.4
Non-cushion	8,924	9,669	8,595	6,566	+ 35.9
Knee-highs	19,922	21,463	23,499	17,611	+ 13.1
Cushion*	16,486	17,770	19,587	14,035	+ 17.5
Non-cushion	3,436	3,693	3,912	3,576	- 3.9

* Has some terry or cushion construction.

** According to a special NAHM survey covering June shipments, girls' and women's hosiery represented about 61% of hosiery size 8-11, knit on less than 300 needles; boys', 39% in 1987.

Source: National Association of Hosiery Manufacturers (NAHM): Hosiery Statistics (Annual Reports)

Each year the NAHM conducts a special survey among manufacturers of hosiery knit on less than 300 needles for girls, boys and women, which includes various types of socks, knee-highs, anklets, etc. The study covers shipments in the month of June. Results have been used in the following table to define the components of annual figures on shipments of this hosiery and arrive at estimates for total shipments of socks, knee-highs, etc., by type, combined with shipments of this hosiery by mills knitting on 300 needles or more.

Total shipments of women's and girls' anklets in 1986 compared with 1985 gained 32.3%; knee highs registered a very slight gain of less than 1%. Shipments of boys' anklets more than doubled, but the larger category, knee-highs, dropped an estimated 14.7%.

PRODUCT SHIPMENTS: PAIRS

Estimated Shipments of Socks, Knee-highs, etc.: 1985, 1986

	1986	1985	% Change 1986/85
Women's & girls', specified types, total	86,701	79,088	+ 9.6%
Knee-highs, total	52,571	52,257	+ 0.6
300 needles or more	48,049	45,638	+ 5.3
Less than 300 needles*	4,522	6,619	- 31.7
Footsocks	6,909	6,541	+ 5.6
300 needles or more	231	289	- 20.1
Less than 300 needles*	6,678	6,252	+ 6.8
Anklets	25,269	19,094	+ 32.3
300 needles or more	565	609	- 7.2
Less than 300 needles*	24,704	18,485	+ 33.6
Mid-calf/crew	1,518	1,196	+ 26.9
300 needles or more	23	60	- 61.7
Less than 300 needles*	1,495	1,136	+ 31.6
Waist-highs			
Less than 300 needles	434	461	- 5.9
Boys', (less than 300 needles)*	18,434	16,994	+ 8.5
Knee-highs	9,612	11,270	- 14.7
Mid-calf/crew	6,378	4,545	+ 40.3
Anklets	2,444	1,179	+107.3

* Has some terry or cushion construction.

Source: NAHM

Textured Hosiery

The NAHM has conducted a special study to determine the quantity of textured vs. non-textured hosiery of specified types shipped in 1987. Textured, defined as covering patterned hosiery knit on ladies' circular knitting machines (not including cut-and-sewn patterned hosiery) amounted to 6,165 thousand dozen pairs. This was 3.1% of total hosiery shipments in the classifications covered.

Specified Types of Textured Vs. Non-Textured Hosiery Shipped in 1987
(Dozens of pairs in thousands)

	Total	Textured	Nontextured
Total, specified types	196,846	6,165	190,681
Knee-highs (knit with more than 300 needles)	41,684	1,423	40,261
Sheer pantyhose	48,865	1,968	46,897
Opaque pantyhose	6,272	335	5,937
Elastomer pantyhose*	48,888	847	48,041
Other pantyhose (control top, leg support, etc.)	51,137	1,592	49,545

* Pantyhose with a spandex-type yarn throughout the leg or panty, or both.

Source: NAHM

PRODUCT SHIPMENTS: PAIRS

Mill shipments of hosiery are generally spaced fairly evenly throughout the year, but peak for Spring/Summer selling in March (and April for women's hosiery), and in October, November for Fall/Winter/Resort.

Monthly Pattern in Hosiery Shipments By Mills
Percent of 1987 Total by Months

Hosiery Types	Total Mil. Doz. Prs.	Year	Jan.	Feb.	Mar.	Apr.	May
Total	- 309.0	100.0	7.9	8.0	9.1	9.0	8.2
Infants', children's	- 28.6	100.0	7.0	8.3	8.5	8.0	8.7
Girls', boys', women's Sizes 8 - 11	- 61.2	100.0	6.7	7.4	8.7	6.8	8.3
Men's Sizes 10 & up	- 66.0	100.0	8.0	6.8	7.9	7.1	8.9
Women's	- 153.2	100.0	8.5	8.7	9.9	10.8	7.8

Hosiery Types	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Total	7.9	8.9	7.8	8.1	9.2	8.6	7.4
Infants', children's	9.8	9.9	7.9	8.6	8.5	7.5	7.2
Girls', boys', women's Sizes 8 - 11	8.9	9.2	8.5	9.1	9.9	9.5	7.0
Men's Sizes 10 & up	8.8	8.5	8.7	8.6	9.6	8.7	8.4
Women's	6.7	8.8	7.0	7.4	8.8	8.4	7.2

Source: Based on annual NAHM reports

PRODUCT SHIPMENTS: VALUE

In contrast with the value of industry shipments, covered in the section on GENERAL INDUSTRY STATISTICS, which includes all products (both primary and secondary) plus miscellaneous receipts reported by mills classified in the hosiery industry, Product Shipments relate specifically to shipments of hosiery by all producers, regardless of the mills' SIC classification based on its primary products.

The latest report covering all U.S. mills, compiled by the Bureau of the Census, covers the year 1985, based on the annual survey of a representative sample of mills. Hosiery shipments were valued at $3.0 billion--11.2% over the 1982 total when measured in current dollars.

PRODUCT SHIPMENTS: VALUE

Value of Shipment of Hosiery By All Producers: 1982-1985
(Millions of dollars)

	1985	1984	1983	1982	% Change 1985/82
Hosiery, legwear, total	$3,057.1	$3,201.8	$3,085.0	$2,749.8	+11.2%
Women's & misses:					
Finished full-length & knee-length hosiery	348.6	378.2	419.9	353.4	- 1.4
Finished pantyhose	1,074.4	1,073.5	1,009.1	943.2	+13.9
Full-length, knee-length, shipped in the greige	103.7	104.9	94.6	85.6	+21.1
Full-length, knee-length, n.s.k.	12.2	69.5	44.8	43.1	-71.7
Hosiery, n.e.c.	1,518.2	1,575.7	1,516.6	1,324.5	+14.6
Men's finished seamless hosiery (sizes 10 or larger)	723.3	760.6	731.2	655.0	+10.4
All other finished hosiery, n.e.c.	545.5	564.9	523.8	452.1	+20.7
Hosiery shipped in the greige, n.e.c.	183.6	177.6	187.3	155.6	+18.0
Hosiery, n.e.c., n.s.k., except women's full-length & knee-length	65.8	72.6	74.2	61.9	+ 6.3

n.e.c. not elsewhere classified
n.s.k. not specified by kind

Source: U.S. Bureau of the Census;
Annual Survey of Manufactures (MA85(AS)2)

Women's hosiery shipments, particularly hosiery shipped in the greige, are concentrated among large companies. The following covers the percent of shipments of specified types by all producing plants. The top 8 companies operating women's hosiery mills accounted for 67% of shipments in 1982, the latest year covered in Census Bureau reports. Production of men's hosiery, and other hosiery knit on less than 300 needles, is much less concentrated.

Share of Value of Specified Hosiery Shipments By All Producers Accounted For By the Largest Companies: 1982
(Value in millions of dollars)

	Total	% Accounted For By Largest Companies			
	Shipments	Top 4	Top 8	20 Largest	50 Largest
Women's hosiery, except socks	$1,425.3	59%	67%	78%	92%
Finished seamless hosiery, full-length & knee-length (except pantyhose)	353.4	38	50	74	95
Finished pantyhose	943.2	74	81	92	100
Hosiery shipped in the greige	85.6	50	71	96	100
Hosiery, except socks, n.e.c. (tights, seamed hosiery, etc.)	43.1	(not reported)			

(continued)

PRODUCT SHIPMENTS: VALUE

Share of Value of Specified Hosiery Shipments By All Producers Accounted For By the Largest Companies: 1982
(Value in millions of dollars)
(continued)

	Total	% Accounted For By Largest Companies			
	Shipments	Top 4	Top 8	20 Largest	50 Largest
Other hosiery (men's, boys', girls', hosiery/legwear; women's socks)	1,324.5	20	29	46	66
Men's finished seamless (size 10 & up)	655.0	23	35	57	82
All other finished seamless hosiery	452.1	23	34	57	84
Seamless hosiery shipped in the greige, except women's full-length & knee-length	155.6	44	55	73	95
Other hosiery, n.e.c.	61.9		(not reported)		

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census: Census of Manufactures, 1982 Concentration Ratios in Manufacturing (MC82-S-7)

PRODUCER PRICE LEVELS

Bureau of Labor Statistics indexes measuring changes in U.S. factory price levels for hosiery were quite stable in 1987, except for types of infants' and children's hosiery.

Producer (Factory) Price Indexes: December 1987

	Index Base	Index Dec. 1987	% Change Dec. 1987/86
Women's hosiery:			
Full-fashioned	6/84	100.0	-0-
Finished seamless & simulated seamed hosiery	6/84	101.8	+ 0.9%
Unfinished seamless & simulated seamed hosiery	6/84	101.8	+ 0.3
Men's hosiery:			
Finished	12/77	158.9	+ 0.9
Unfinished	6/84	102.2	+ 3.0
Infants' & children's:			
Anklets	6/84	102.1	- 0.9
Knee-highs	12/77	139.0	- 0.1
Other finished hosiery	6/84	101.6	+ 5.0

Source: U.S. Department of Labor, Bureau of Labor Statistics

FOREIGN TRADE

Based on reported information covering hosiery shipments by U.S. producers, exports, and imports, the total new supply of hosiery available in the U.S. market in 1987 is estimated at 315.2 million dozen pairs, about 2% below the 1986 total. Imports, which were down 0.8% in quantity, accounted for 3.8% of 1987 supply, 3.7% in 1986.

Import penetration varies by product type. In pantyhose they represented an estimated 4.4% of 1987 supply, vs. 3.9% in 1986. According to MRCA Information Services, based on purchases tracked among a nationwide sample of households, imports accounted for about 23% of women's leotards and tights purchased in 1987, up from 16% in 1986. Imported women's socks are estimated at 5-to-6% of the market (in pairs), with their share of men's socks at about 3-to-4%.

Estimated Share of Total New Supply Accounted For By Imports: 1986, 1987
(Quantity in thousand dozen pairs)

	1987	1986	% Change 1987/86
Pantyhose:			
Shipments	106,274	110,894	- 4.2%
Plus U.S. imports	4,892	4,332	+ 12.9
Minus exports	696	971	- 28.3
Supply	110,470	114,255	- 3.3
Imports % of supply	4.4%	3.9%	
Other hosiery:			
Shipments	202,619	202,350	+ 0.1%
Plus U.S. imports	7,025	7,680	- 8.5
Minus exports	4,940	2,971	+ 66.3
Supply	204,704	207,059	- 1.1
Imports % of supply	3.4%	3.7%	
Total supply	315,174	321,314	- 1.9
Imports	11,917	12,012	- 0.8
Imports % of supply	3.8%	3.7%	

Source: Based on Census Bureau & NAHM reports

The U.S. enjoyed a very favorable trade balance in hosiery up to 1984. From an excess of exports over imports of 985 thousand dozen pairs in 1983, the picture reversed in 1984 as exports declined and imports gained, exceeding exports by 2,993 thousand dozen pairs that year. This deficit climbed each year, peaking at 8,070 thousand dozen pairs in 1986.

FOREIGN TRADE

Competition from countries with high-tech production equipment, particularly Japan, was a factor in the loss of foreign markets initially, then augmented by the strong U.S. dollar which made U.S. hosiery relatively expensive in foreign markets. Now, however, the devalued dollar is making the U.S. more competitive overseas and exports in 1987 registerd a strong 43% gain in quantity, reversing the 0.2% decline reported by the Census Bureau for 1986. With a slight drop (0.8%) in hosiery imports in 1987 compared with 1986, the trade deficit fell to 6,281 thousand dozen pairs.

As noted in the following table, 807 operations are included in the import data. These are imports under U.S. Tariff regulations which allow Caribbean Basin countries to assemble hosiery from components shipped to them by U.S. manufacturers, then pay duty only on the value added in the assembly process when the finished hosiery is shipped to the U.S. These shipments account for much of the growth in imports of pantyhose. Production of hosiery by U.S. manufacturers in their overseas mills is another factor in import growth.

Other than the 807 suppliers, Israel, Taiwan and South Korea are major sources for pantyhose. The United Kingdom, Japan and Canada are leading suppliers of wool hosiery. South Korea ranks first as a source of cotton hosiery.

While hosiery imports in 1987 were down 0.8%, as noted above, U.S. industry shipments in total declined 1.4% in quantity. From 1981-1985 the largest import growth rate occurred in socks, but pantyhose has taken the lead. The 1987 total of man-made fiber pantyhose imports, rose 12.9% over 1986, following a 79% jump the previous year.

Manmade fiber socks and hosiery other than pantyhose comprised the largest major category of 1987 hosiery imports, representing 48% of the total. Pantyhose ranked next, with a 41% share. Comparable shares in 1986 were 49% and 36%, respectively. While accounting for only 8.6% of 1987 imports, cotton hosiery has registered the greatest jump in imports since 1982, as noted in the next table.

The U.S. industry is responding to the import challenge by installing advanced equipment. The industry is also being encouraged by the National Association of Hosiery Manufacturers to become more invovled with Quick Response and Just-In-Time programs with their customers and suppliers. Because of early experience with UPC (the Universal Product Code) electronic coding in dealing with supermarkets, some mills have a head start in these operations, and more are getting involved.

The growing importance of legwear of many types as fashion accessories, which demands rapid change in production and shipments schedules, while adding to the problems of U.S. mills, gives an edge over imports with their delayed delivery schedules, as well as uncertainties related to political developments in foreign supplying countries, such as in South Korea last year.

The fashion aspect of U.S. hosiery, plus favorable pricing, helps exports. Our best customers in 1987 (excluding the 807 operations) included Chile, Canada, United Arab Emirates and West Germany.

U.S. Trade in Hosiery: 1982, 1984-1987

IMPORTS:	Thousand Dozen Pairs					% Change	
	1987	1986	1985	1984	1982	1987/86	1987/82
Total imports*	11,917	12,012	10,482	6,221	2,294	- 0.8%	+ 419.5%
Pantyhose	4,892	4,332	2,421	1,663	1,146	+ 12.9	+ 326.9
Other hosiery:	7,025	7,680	8,059	4,558	1,148	- 8.5	+ 511.9
Cotton & other vegetable fibers	1,027	1,494	1,160	695	85	- 31.3	+1,108.2
Wool	275	277	279	193	91	- 0.7	+ 202.2
Man-made fiber	5,722	5,908	6,620	3,670	972	- 3.1	+ 488.7

	Customs Value (thousands of dollars)					% Change	
	1987	1986	1985	1984	1982	1987/86	1987/82
Total imports**	$80,115	$75,077	$66,020	$38,733	$14,558	+ 6.7%	+ 450.3%
Pantyhose	31,223	28,106	15,256	10,629	6,163	+ 11.1	+ 406.6
Other hosiery:	48,892	46,971	50,764	28,104	8,395	+ 4.1	+ 482.4
Cotton & other vegetable fibers	11,858	11,965	10,871	7,184	1,090	- 0.9	+ 988.0
Wool	8,456	7,249	6,086	4,223	2,298	+ 16.6	+ 268.0
Man-made fiber	28,578	27,757	33,807	16,697	5,007	+ 3.0	+ 470.8

EXPORTS:	Thousand Dozen Pairs					% Change	
	1987	1986	1985	1984	1982	1987/86	1987/82
Total exports	5,636	3,942	2,959	3,228	5,646	+ 43.0%	- 0.2%
Pantyhose	696	971	635	686	1,159	- 28.3	- 39.9
Women's full- and knee-length hosiery	3,042	1,261	519	713	1,126	+141.2	+170.1
Other hosiery	1,898	1,719	1,805	1,829	3,361	+ 11.0	- 43.5

	Customs Value (thousands of dollars)					% Change	
	1987	1986	1985	1984	1982	1987/86	1987/82
Total value	$40,839	$34,558	$27,665	$29,735	$48,441	+ 18.2%	- 15.7%
Pantyhose	9,422	11,546	6,670	6,578	9,884	- 18.4	- 4.7
Women's full- and knee-length hosiery	14,271	6,648	4,005	6,141	9,685	+114.7	+ 47.3
Other hosiery	17,146	16,364	16,990	17,016	28,872	+ 4.8	- 40.6

* Imports include hosiery assembled abroad with USA components (807 transactions), primarily represented by pantyhose from Jamaica, Columbia, Costa Rica. In 1987, these imports accounted for 51% of total pairs of pantyhose imported by the U.S., and 50% of the total reported value of imports. The primary soucre was Jamaica, which had a 44.5% share of the quantity and 31.9% of the value of pantyhose imported by the U.S. (The expected components are counted in the export data.)

** As valued for customs purposes. Does not include duties, freight or insurance.

Source: NAHM based on U.S. Bureau of the Census reports

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Population Projections - 1988, 1994, 2005
(Middle series*)

	Number (Thousands)			% Change	Percent Distribution		
	1988	1995	2005	1995/1988	1988	1995	2005
MALE							
Total, all ages	119,390	126,368	134,297	+ 5.8%	100.0%	100.0%	100.0%
Under 2 years	3,933	3,735	3,585	- 8.8	3.3	3.0	2.7
2 - 4 years	5,807	5,798	5,346	- 7.9	4.9	4.6	4.0
5 - 9 years	9,197	9,895	9,094	- 1.1	7.7	7.8	6.8
10 - 15 years	9,940	11,465	11,698	+17.6	8.3	9.1	8.7
16 years & over	90,513	95,482	104,574	+ 5.5	75.8	75.6	77.9
16 - 19	7,474	6,804	8,058	- 9.0	6.3	5.4	6.0
20 - 34	31,625	29,166	27,416	- 7.8	26.5	23.1	20.4
35 - 54	29,134	36,206	40,769	+24.3	24.4	28.6	30.4
55 - 64	10,079	9,865	14,060	- 2.1	8.4	7.8	10.5
65 & over	12,201	13,441	14,271	+10.1	10.2	10.6	10.6
Median age (years)	31.1	33.4	36.0	+ 7.4	--	--	--
FEMALE							
Total, all ages	125,911	133,191	141,381	+ 5.7%	100.0%	100.0%	100.0%
Under 2 years	3,748	3,561	3,418	- 8.8	3.0	2.7	2.4
2 - 4 years	5,540	5,526	5,100	- 7.9	4.4	4.1	3.6
5 - 9 years	8,786	9,443	8,768	- 0.2	7.0	7.1	6.2
10 - 15 years	9,500	10,954	11,167	+17.5	7.5	8.2	7.9
16 years & over	98,337	103,710	113,016	+ 5.5	78.1	77.9	80.0
16 - 19	7,161	6,517	7,708	- 9.0	5.7	4.9	5.5
20 - 34	31,141	28,497	26,706	- 8.5	24.7	21.4	18.9
35 - 54	30,236	37,190	41,249	+23.0	24.0	27.9	29.2
55 - 64	11,469	11,059	15,399	- 3.6	9.1	8.3	10.9
65 & over	18,330	20,447	21,957	+11.5	14.6	15.3	15.5
Median age (years)	33.6	35.9	39.2	+ 6.8	--	--	--

* Middle of a series of three projections, each based on alternative assumptions as to future fertility, mortality, and net immigration levels. Includes Armed Forces overseas. (Totals may not add to 100% due to rounding.)

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25, No. 952 (May 1984)

THE POTENTIAL MARKET

Consumption

In spite of the increased importance of fashion in hosiery, the greater variety of selections, and a more affluent market offered by the increase in working women, per capita consumption of hosiery has fluctuated within fairly narrow limits.

Based on annual shipments by U.S. mills, adjusted for imports and exports, and population counts reported by the Census Bureau, the NAHM placed per capita consumption in 1987 of all types of hosiery at 15.7 pairs. This was down from the peak of 16.2 pairs reported for 1986, and even with the average reported in 1979. In the recession year 1982, per capita consumption was 14.9 pairs. In 1987 compared with 1980, hosiery supply on the U.S. market was up 11.8%; the population gain was 8.7%.

In women's hosiery, per capita consumption of pantyhose in 1987 was reported at 13.5 pairs, down from 14.1 in 1986, and from the peak of 15.1 pairs reported in 1983. The 1987 average was the lowest since 1981, when it was reported at 13.2. Per capita consumption of stockings dwindled from 0.9 in 1978 to 0.4 pairs in each of the past three years. Consumption of other women's hosiery peaked at 6.1 pairs in 1986, then dropped to 5.1 in 1987 -- the lowest figure since 1981.

Consumption of men's hosiery of all types peaked in 1978, at 10.9 pairs per male age 15 or older. In 1987, the average was reported at 8.9 compared with 9.2 in 1986. The 1987 average was the lowest reported since 1982's average of 8.5 pairs per male consumer.

Per Capita Consumption (Pairs) of Hosiery By Size Groupings Based on Supply*

Year	Total Pairs	Infants'/ Children's Sizes 3-8 1/2**	Boys', Girls', Misses' Sizes 8-11***	Women's#	Men's##
1987	15.7	9.9	20.9	19.0	8.9
1986	16.2	9.7	19.0	20.6	9.2
1985	15.9	9.2	17.3	20.6	9.4
1984	16.0	9.8	16.4	20.4	9.7
1983	15.9	8.8	16.4	21.0	9.1
1982	14.9	9.0	14.7	19.7	8.5
1981	15.9	10.7	17.6	19.2	9.6
1980	15.2	10.2	15.1	19.3	9.1

* Shipments by U.S. mills plus imports, less exports. See page 11 for the NAHM definition of hosiery classification.
** Based on boys and girls through 9 years of age.
***Based on males and females 10 to 14, and females 15 to 24 years of age.
# Based on females age 15 and over.
## Based on males age 15 and over.

Source: National Association of Hosiery Manufacturers

In viewing the outlook for hosiery consumption, Kurt Salmon Associates has projected an increase of 4% in 1988 compared with 1987. The gains, however, will be concentrated, as they have been in recent years, in socks, both for males and females. Pantyhose consumption is expected to be flat.

THE POTENTIAL MARKET

Consumption (continued)

Year-to-Year Changes in Units Purchased By Consumers

	Actual		Estimated	Projected
	1985/84	1986/85	1987/86	1988/87
Hosiery, total	+ 4%	-0-	+ 4%	+ 4%
Women's pantyhose & sheers	+ 8	- 4%	- 1	-0-
Socks, female	+ 4	+ 7	+ 9	+ 5
Socks, male	+ 3	- 3	+ 4	+ 4

Source: Kurt Salmon Associates: The KSA Perspective: 1988 Outlook

RETAIL SALES

Official figures on total sales of hosiery are not collected. However, trade reports and consumer purchase tracking studies indicate a total retail value of about $5 billion in 1987. The average retail price per pair has been sliding due to two factors--first, the growth in consumer purchases of socks has been greater than purchases of pantyhose and stockings, and socks generally have a lower per unit price (although fashion developments have generated some trading up). Even more important, according to a report at the Catawba Valley Hosiery Association's Focus '88 meeting in October 1987, in bringing down the average unit price of hosiery is the high-volume turnover at discount stores. These outlets were credited with selling 47% of all hosiery sold in the U.S.

Overall women's hosiery accounts for about 65% of total hosiery retail dollar volume; men's about 23%; the balance, hosiery for boys, girls, infants. An analysis of hosiery purchases by KSA/NPD for the National Associ- ation of Hosiery Manufacturers covering 1986 showed purchases of women's socks (except knee socks) increasing 18% a year from 1984 through 1986, in dollar value. Knee sock volume, however, declined an average 23% per year in this period. Pantyhose sales were down 6%.

In 1986, according to KSA/NPD, department stores accounted for 13% of women's sock and hosiery dollar spending; specialty stores, 8.2%; national chains (Sears, Ward, Penney), 9.3%; discount stores, 27.9%; grocery/drug stores, 25.4%; other outlets, 16.2%. For women's panty hose, alone, the comparable percentages were: department stores, 13.6%; specialty stores, 7.2%; national chains, 8.0%; discount stores, 23.3%; grocery/drug stores, 31.1%; other outlets, 16.7%. Discount stores accounted for 44% of spending for women's socks; specialty stores, 11.6%; department stores, 11.1%; national chains, 10.6%; grocery/drug stores, 15.3%.

The trade publication, Supermarket Business estimated spending for specified types of hosiery in grocery stores at $844.3 million in 1986 vs. $812.5 million in 1985. Sales were reported as follows:

Spending For Hosiery in Grocery Stores: 1985, 1986
(Thousands of dollars)

	1986	1983
Men's socks	$ 63,231	$ 56,608
Pantyhose	764,635	738,778
Stockings	16,429	17,078

Source: Supermarket Business (September 1987)

RETAIL SALES

Details on unit purchases of hosiery, based on the KSA/NPD tracking studies, are covered in the CONSUMER BUYING PATTERNS section of this Fact File.

RETAIL MERCHANDISING & OPERATING RESULTS

Women's Hosiery Departments

The National Retail Merchants Association compiles an annual report on merchandising and operating results by merchandise classifications in specialty stores (women's and family apparel stores) and department stores by total store sales volume groups. The following are median results based on actual dollar data submitted to the NRMA by cooperating companies.

Women's Hosiery Department Merchandising & Operating Results, 1986
Compared With Total Adult Female Accessories Division
(Selected median results)

WOMEN'S/FAMILY SPECIALTY STORES (With Total Sales Over $1 Million)	Mdse. Division: Adult Female Accessories (17)*	Department: Women's Hosiery (14)*
Cumulative markon %	51.9	50.2
Markdowns - % of net retail sales	17.9	12.1
Gross margin (incl. cash discounts) % of net sales	44.2	44.1
Stock turns (times) at retail	2.6	2.6
Net sales % change from 1985	+ 0.9	+ 1.2
Net sales % of total store	9.2	1.7
$ sales per sq. ft. of selling space (main or largest selling unit)	$160.00	$184.00

DEPARTMENT STORES (With Total Sales Over $2 Million)	Mdse. Division: Adult Female Accessories (60)*	Department: Women's Hosiery (58)*
Cumulative markon %	53.7	50.2
Markdowns - % of net retail sales	13.5	10.0
Gross margin (incl. cash discounts) % of net sales	46.5	45.0
Stock turns (times) at retail	2.7	2.5
Net sales % change from 1985	+ 6.7	+ 7.3
Net sales % of total store	8.0	1.6
$ sales per sq. ft. of selling space (main or largest selling unit)	$179.00	$151.00

* Number of companies reporting.

Source: National Retail Merchants Association: Department Store & Specialty Store Merchandising & Operating Results in 1986

RETAIL MERCHANDISING & OPERATING RESULTS

Men's Hosiery Departments

Based on responses in a mail survey among men's wear stores on operating experiences by merchandise classification in 1986, the following are selected results on men's hosiery. The figures reported below are medians for reporting firms, designed to serve as a guide for retailers rathern than represent total industry performance.

Typical Operating Results in Men's Hosiery in Men's Wear Stores, 1986
(Median results)

	Total Reporting Firms		Firms Handling Men's Wear Only		Firms Handling Women's Wear	
Men's hosiery:						
% to total furnishings sales	5.9	(84)	6.2	(39)	5.6	(45)
% to total store sales	1.0	(85)	1.3	(40)	0.9	(45)
% change in sales 1986/1985	+ 3.1	(75)	+ 4.7	(34)	+ 0.4	(41)
Markdowns-% of sales	4.3	(66)	3.0	(26)	5.0	(40)
Inventory turnover	2.0	(54)	1.4	(24)	2.0	(30)

Note: Figures in parentheses are the numbers of firms reporting data.

Source: Menswear Retailers of America,
MRA Annual Business Survey
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RETAIL ADVERTISING

The pattern in newspaper advertising run by retailers in 1984 and 1986 is tracked by the Advertising Checking Bureau.

Women's Hosiery Ad Linage in Newspapers: 1984, 1986
(Percent of annual total by months)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1984	100.0%	9.3	11.2	8.4	8.2	9.5	2.8	6.4	5.9	11.6	10.6	8.6	7.5
1986	100.0%	6.2	7.6	11.6	9.3	6.1	3.7	4.2	6.0	13.0	15.4	8.6	8.3

Source: Newspaper Advertising Bureau, Inc.:
Newspaper Advertising Planbooks, based on
ACB, 1984, 1986

CONSUMER BUYING PATTERNS

An analysis of the total consumer market for hosiery by MRCA Information Services shows that women account for over 70% of the hosiery units sold, regardless of the end user. When purchasing hosiery for themselves, men tend to pay a higher price for hosiery than noted in women's purchases of hosiery for men.

Female Hosiery/Legwear

The monthly potential market for specified types of women's hosiery/legwear is indicated in findings by MRCA Information Services on the average purchase rate per thousand households found on the basis of their purchase tracking studies among a nationwide panel of households.

Reflecting the gift market, purchases of pantyhose/tights and of socks peaked in December, according to a report based on this source covering the year 1984, which was published by the Newspaper Advertising Bureau.

Average Purchase Rate (Units) of Specified Hosiery/Legwear
Per 1,000 Households

	Pantyhose/Tights	Hosiery/Socks
Monthly average, 1984	962.5	668.6
January	915.2	568.2
February	888.7	623.3
March	1,199.4	751.4
April	1,014.3	597.4
May	988.2	621.9
June	941.6	735.8
July	577.5	541.0
August	812.2	541.6
September	1,089.3	733.4
October	862.8	641.1
November	941.3	701.6
December	1,219.9	966.1

Source: Newspaper Advertising Bureau: 1988 Advertising Planbook; MRCA Information Services

In October 1986, Seventeen Magazine conducted a survey on apparel purchases made by teenage girls in preparation for going back to school. Results of the survey were projected to a total U.S. population of 12,289,000 girls age 13-19 in the U.S.

The following summarizes information reported on hosiery purchases.

CONSUMER BUYING PATTERNS

Female Hosiery/Legwear (continued)

Teen Girls' Hosiery Purchases For Back-To-School

	Girls Purchasing		Pairs (000)		Expenditures	
	No.	%	No.	%	Thous. $	%
Hosiery	11,360	100.0%	137,237	100.0%	$436,008	100.0%
Pantyhose	9,711	85.5	39,705	28.9	109,903	25.2
Socks	10,149	89.3	59,784	43.6	155,426	35.6
Ankle	7,142	62.9	33,178	24.2	86,476	19.8
Crew	4,424	38.9	19,697	14.3	53,964	12.4
Knee-length	2,006	17.7	6,909	5.0	14,986	3.4
Knee-length stockings	4,835	42.6	26,865	19.6	45,891	10.5
Leotards	1,804	15.9	2,932	2.1	44,866	10.3
Tights	1,954	17.2	3,081	2.2	21,949	5.0
Leggings	1,546	13.6	3,400	2.5	50,816	11.6
Legwarmers	891	7.8	1,458	1.1	7,096	1.6
Other hosiery/legwear	12	0.1	12	*	61	*

* Less than 0.1%

Source: Seventeen's Back-To-School Study: 1986

In July 1986, Seventeen conducted a mail survey among 3,000 members of their Consumer Panel, on purchases for their Spring/Summer 1986 wardrobes. The following reflects projections to the U.S. population of girls age 13-19 years.

Teen Girls' Hosiery Purchases for Spring/Summer, 1986

	Girls Purchasing		Pairs (000)		Expenditures	
	No.	%	No.	%	Thous. $	%
Hosiery	11,064	100.0%	111,426	100.0%	$390,928	100.0%
Pantyhose	9,364	84.6	38,524	34.6	121,066	31.1
Socks	8,900	80.4	44,894	40.3	119,259	30.5
Knee-length stockings	3,995	36.1	19,894	17.8	53,243	13.6
Leotards	1,380	12.5	2,707	2.4	49,870	12.7
Tights	1,364	12.3	2,697	2.4	18,599	4.8
Leggings	879	7.9	1,484	1.3	21,462	5.5
Legwarmers & other	727	6.6	1,226	1.1	7,429	1.9

Source: Seventeen's Spring/Summer Apparel Study: 1986

The following information on purchases of specified types of female hosiery for the years 1986 and 1987 has been supplied by KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group. The information is based on an on-going monthly panel tracking the purchases of 11,5000 nationally representative families.

CONSUMER BUYING PATTERNS

Female Hosiery/Legwear (continued)

The following information highlights KSA/NPD findings on purchases of specified types of hosiery for women and for girls. Not included are such legwear items as leotards, tights, legwarmers, etc.

Unit purchases reported for covered types of women's and girls hosiery socks in 1987 were 13.6% greater than in 1986. Women's sock purchases registered a strong gain of almost 21%, while other hosiery (mostly pantyhose) registered a 1.1% decline. Purchases of socks for girls age 3 to 13 years were up 3.8% in 1987 over 1986, while purchases of other types of hosiery for girls declined 7.8%.

Female Hosiery Purchases: 1986, 1987
Style Share Trends & Sales Change, 1987/1986

	% of Units		% Change
	1987	1986	1987/86
Hosiery for women age 14 years & over, total	100.0%	100.0%	
Socks	24.9	21.5	+ 20.8%
Other hosiery	75.1	78.5	- 1.1
Types of socks & other hosiery:			
Socks, total	100.0%	100.0%	+ 20.8
Anklets	60.4	54.4	+ 34.3
Knee-highs	17.3	25.5	- 17.9
Crew/calf	14.0	10.0	+ 69.0
Foot/ped	3.9	6.1	- 22.6
Other	4.4	4.0	+ 30.1
Other hosiery, total	100.0%	100.0%	
Pantyhose/stockings	75.4	75.2	- 0.9
Sheer knee-highs/anklets	24.6	24.8	- 1.8
Hosiery for girls age 3-13 years, total	100.0%	100.0%	
Socks	84.1	82.7	+ 3.8
Other hosiery	15.9	17.3	- 7.8
Types of socks & other hosiery:			
Socks, total	100.0%	100.0%	+ 3.8
Anklets	67.7	64.7	+ 8.5
Knee-highs	15.7	20.5	- 20.6
Crew/calf	12.0	10.8	+ 15.5
Foot/ped	1.1	1.1	+ 10.7
Other	3.5	2.9	+ 23.6
Other hosiery, total	100.0%	100.0%	- 7.8
Pantyhose/stockings	31.2	30.0	- 4.1
Sheer knee-highs/anklets	68.8	70.0	- 9.3
Total, above hosiery for women & girls	--	--	+ 13.6

Source: KSA/NPD Purchase Panel

Female Hosiery/Legwear (continued)

Women purchase over 70% of the hosiery units sold, whether or not they are the end users, according to a recent study by MRCA Information Services presented at the Catawba Valley Hosiery Association's Focus '88 Convention. Also, women account for over half of the growth in sales in the athletic socks market in the past three years, with 66% of the athletic styles sold not being used for any sports-related activity. Tube or athletic-type socks are the leading type sold, accounting for 50% of all socks.

The tremendous growth in women's participation in fitness activities such as aerobics and dance, as well as in the number who like the look of fitness apparel for leisure and street wear, has changed the merchandising of leotards and tights. With the great demand for fashion variety and color and the increasingly competitive nature of the market as more suppliers and retailers entered the fray, the merchandising of bodywear has stretched beyond its tradtitional place in or adjoining the hosiery department in major stores. The classification plays an important role in activewear departments in many stores, as well as holding its own in separate shops.

Body dress, or streetwear with stretch, offered in sportswear colors -- often with matching skirts or other accessories has become increasingly popular. A major supplier of bodywear, Danskin (a division of Esmark), with reported sales of about $70 million, offers a complete head-to-toe dressing program with stretch apparel called Leg Currents and Body Currents.

Ties with professional athletes are being developed to an increasing extent, and this might be expected to grow with the advent of the Summer Olympics in 1988. The Reebok line of bodywear is extensive. Sporting goods stores have joined the traditional suppliers -- department and specialty stores -- as a retail outlet for fashion tights and leotards. The latter outlets have leaned on designer names and celebrity names, such as the Barysknikov line.

Legwear and bodywear manufacturers, as well as other hosiery manufacturers, are encouraged by the current trend to multiple skirt lengths and to component dressing, which encourages multiple purchases.

Within the women's socks category a growing preference for cotton is noted. In anklets, the most important type, almost 78% of the anklets purchased in 1987 were all cotton or primarily cotton -- up from less than 70% in 1986. As noted in the previous table, total purchases of women's anklets were up 34.3%.

Cotton knee-highs also grew in popularity, representing 17.2% of knee-highs purchased in 1987 vs. 14.5% in 1986. Overall, however, knee-high purchases were down almost 18%.

The Growing Importance of Cotton in Women's Socks

	% of Units Primarily Cotton	
	1987	1986
Women's socks:		
Anklets	77.7%	69.7%
Knee-highs	17.2	14.5
Crew/calf	71.7	60.5
Foot/ped	50.0	45.5

Source: KSA/NPD Purchase Panel

CONSUMER BUYING PATTERNS

Female Hosiery/Legwear (continued)

Based on consumer reports on place of purchase, grocery and drug stores, combined, garnered about one out of three purchases of pantyhose last year. Discount stores had the second biggest slice of the pie -- almost 27% in 1987 -- down from almost 29% in 1986. Gaining in market share last year were the national chains, department stores and specialty stores, and other miscellaneous outlets, including mail order (catalog) sales.

Specialty stores and discount stores increased their share of the women's socks business at the expense of other outlets separately analysed. Discount stores are by far the leading outlet type for women's and girls' socks, based on purchase tracking data.

Outlet & Price Point Share Trends in Female Hosiery: 1986, 1987
(% of Units)

	Women's Socks		Women's Pantyhose		Total Girls' Socks		Girls' Knee Hi Socks	
	1986	1987	1986	1987	1986	1987	1986	1987
Outlets								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Specialty	8.0	9.5	5.7	6.1	7.7	7.7	9.9	6.2
Department	6.3	5.1	7.9	8.2	4.7	4.8	8.5	5.2
National chains (Sears, Ward, Penney)	9.0	8.1	6.0	6.7	14.9	16.0	15.7	15.0
Discount	52.5	55.5	28.7	26.9	60.9	59.5	55.9	59.1
Grocery/Drug	6.4	5.9	33.8	32.7	3.5	1.9	2.1	2.6
Other	17.8	15.9	17.9	19.4	8.3	10.1	7.9	11.9
Price Per Pair								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
$.49 and under	11.1	14.3	4.3	6.9	10.7	11.1	15.0	23.8
.50 - 0.74	14.1	15.5	10.4	9.5	20.4	19.9	16.1	14.9
.74 - .99	24.8	23.7	15.7	16.8	33.5	34.5	27.8	20.6
1.00 - 1.49	23.0	21.9	21.3	19.8	21.5	20.1	24.2	20.8
1.50 - 1.99	14.3	12.7	20.2	18.6	7.6	8.0	9.4	9.6
2.00 - 2.49	4.7	4.3	8.6	8.6	3.3	2.6	4.4	3.7
2.50 and over	8.0	7.6	19.5	19.8	2.9	3.8	3.1	6.6

Source: KSA/NPD Purchase Panel

Male Socks

As noted in the section on women's and girls' hosiery buying patterns, purchases of men's and boys' socks are tracked through an on-going monthly panel of 11,500 nationally representative families.

Purchases of men's and boys' socks (units) in 1987 were up 3.0% compared with 1986. Socks for men (males age 17 and older) were up 3.7%; for boys (age 3 to 16 years), up 1.2%.

Male Socks (continued)

Athletic socks for men, which represented only 24% of total men's sock purchases tracked by NPD in 1980 continued to garner a bigger share, reaching 40.5% of the 1987 total compared with 38.4% in 1986. Athletic hosiery pairs purchased for men last year were up 9.3% over the 1986 total. Casual socks represented 22.2% of reported men's sock purchases, and gained 4.8% in 1987.

For boys, casual socks outperformed athletic types with a sales gain of 6.4% vs. 0.7%. Their share of boys' socks purchases went from 35.6% in 1986 to 37.5% last year.

Style Share Trends in Socks Purchased For Men & Boys
Percent Change, 1987/1986

	% of Units		% Change
	1987	1986	1987/86
Socks for men age 17 & older, total	100.0%	100.0%	+ 3.7%
Athletic socks	40.5	38.4	+ 9.3
Casual socks	22.2	21.9	+ 4.8
Dress socks	21.5	22.3	+ 0.1
Work socks	11.4	11.9	- 1.2
Other socks	4.5	5.5	- 4.2
Socks for boys age 3 to 16 years, total	100.0%	100.0%	+ 1.2
Athletic socks	49.2	49.4	+ 0.7
Casual socks	37.5	35.6	+ 6.4
Dress socks	6.3	6.4	- 0.7
Other socks	7.0	8.6	-16.5
Total, men's & boys' socks	--	--	+ 3.0

Source: KSA/NPD Purchase Panel

As noted in women's hosiery, cotton has become increasingly popular in men's socks. Over 69% of men's athletic socks were cotton or primarily cotton in 1987, up from 58% in 1986.

The Growing Importance of Cotton in Men's Socks

	% of Units Primarily Cotton	
	1987	1986
Men's socks:		
Athletic	69.1%	58.0%
Casual socks	46.5	34.5
Dress socks	18.2	16.3
Work socks	67.1	67.5

Source: KSA/NPD Purchase Panel

CONSUMER BUYING PATTERNS

Male Socks (continued)

Discount stores account for well over half of the purchases of socks for men and boys, according to the KSA/NPD Purchase Panel. They increased their share of boys' sock purchases from 57.5%, based on pairs, in 1986 to 62.6% in 1987. Their share of men's sock purchases went up from 51.9% to 57.1%

Outlet & Price Point Share Trends in Male Socks: 1986, 1987
(% of Units)

	Men's Socks		Boys' Socks	
Outlets	1986	1987	1986	1987
Total	100.0%	100.0%	100.0%	100.0%
Specialty	5.2	5.0	7.2	5.7
Department	9.0	7.3	4.7	4.5
National chains (Sears Ward, Penney)	15.2	12.1	17.2	15.0
Discount	51.9	57.1	57.5	62.6
Grocery/Drug	3.3	3.0	2.4	2.6
Other	15.4	15.5	11.0	9.6
Price Per Pair				
Total	100.0%	100.0%	100.0%	100.0%
$.49 and under	8.2	8.6	12.1	11.6
.50 - 0.74	15.2	15.7	29.1	30.0
.74 - .99	26.0	25.7	35.0	36.0
1.00 - 1.49	23.3	23.1	15.3	13.9
1.50 - 1.99	11.9	11.8	4.6	4.1
2.00 - 2.49	4.7	4.8	1.5	1.6
2.50 and over	10.7	10.3	2.4	2.8

Source: KSA/NPD Purchase Panel

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels. It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available 1986.)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers the market for products designed for the active sports participant, as well as athleisure activities and active apparel. Covers growth trends in specific sports and related products, including footwear and apparel, and developments in the fitness market.

SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible. (Latest edition available 1985).

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

TOILETRIES, COSMETICS, FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry statitistics, at the manufacturing and retail levels. The quantity and value of manufacturers' shipments, leading manufacturers, advertising expenditures are covered, as well as information on retail sales by product, consumer buying habits and price trends.

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR, RAINWEAR, AND FURS: Data for the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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Toiletries, Cosmetics, Fragrances, and Beauty Aids

FAIRCHILD FACT FILE

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TOILETRIES, COSMETICS, FRAGRANCES & BEAUTY AIDS

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TOILETRIES, COSMETICS, FRAGRANCES & BEAUTY AIDS

Market Trends

The cosmetics industry, especially the prestige market, is exhibiting typical characteristics of maturity--shrinking margin, costly battles for market share and a fast trend towards consolidation. The majority of the business in limited distribution is dominated by four companies: Cosmair, Revlon, Avon and Estee Lauder, accounting for 65% of the department store sales. Many marketers are spending more time and effort trying to fit in with the new owners of their companies than in building brands. Research and development of new products is inhibited by high promotion costs.

Sales are relatively slow and advertising has intensified, especially for skin and hair treatments. This is the era of the super launch, such as the $17 million spent by Calvin Klein to launch Obsession. Marketing costs now amount to about 1/3 of manufacturers' costs.

Americans spent $18.9 billion for personal care products (including dental, shaving, mouthwash and other non cosmetic items) in 1986, but the category has not kept pace with the average amount Americans have to spend on discretionary, or non-necessity items, according to Goldman Sachs. There is no

pentup consumer demand in the mature industry to accelerate growth. Makeup comprises about 25% of personal care product sales; fragrance, 19%, toiletries 27%; hair care, 17% and skin care nearly 13% according to Goldman Sachs.

Cosmetic firms are merging and being acquired. Non-cosmetic firms such as pharmaceuticals are selling off their cosmetic divisions. National launches instead of rollouts have become the norm. Retailers are starting their own fragrances, such as Tiffany's. There will be room for some niche players but not much for medium size companies. Industry analysts cite overpricing, inconsistent marketing and insufficient market research for adding to the industry's problems. Prices grew at double the rate of inflation, while unit sales have declined consistently over the past 5 to 7 years. Premiums are being used to negate price increases with excessive and indiscriminate use creating little value and enhancement of image, according to industry executives.

Although growth in the cosmetics industry has been tempered somewhat by the decline in younger consumers (those in their teens and twenties), it may be stimulated by the larger number of older consumers with more disposable income and greater skin and hair treatment needs. Two of the most rapidly growing segments of the U.S. population are the 45-55 and over-65 age groups. These demographic changes open up opportunities for new skin and hair products, including moisturizers, skin lotions, and hair conditioners. Among younger groups, growing numbers of working women, and their need for more time-saving convenience products is fueling the cosmetic and fragrance industry and helping to offset the negative market effect of a declining teen population. The current emphasis on health and fitness also spurs sales because consumers are focusing on their appearance.

In 1987, there was volume growth in skin care, hair care, hair coloring, and foundation products. Skin care products, which currently account for about 1/3 of all cosmetics sold in the U.S., will continue to account for a major share. New treatment chemicals, such as silicones and lipids, are being introduced. Sales of sunscreens that provide greater protection and less tanning are expected to increase, while ethnic products are likely to show the best growth rate.

Market Trends (continued)

A major growth area for the cosmetics industry is the estimated $2.5 to $3 billion ethnic market, comprising about 30 million people. An estimated 5 to 6 million black women work outside the home. Hair and skin care products are sales leaders in this market.

During the past 10 years women have increased their purchases in convenient food, drug and discount stores. Although department stores still controlled 43% of the estimated $7.5 billion spent on all cosmetics and fragrances in 1987, that share has dwindled; drugstores now control 37%; food stores, 7% and discounters, 13%, according to Advertising Age. The retailing sectors are continuing to blur. Gift-with-purchase and other in-store promotions are becoming prevalent in broad outlets, but they are declining in department stores due to overuse. Mass merchants are also starting to use scent and color samplers previously seen more in limited distribution. Another important tool employed in broad distribution are computers used in fixturing such as Clarion applying a method similar to Clinique in department stores.

The outlook for 1988 is for consolidation through acquisitions and mergers to continue. Avenues of distribution will change to some degree, with more companies offering products through mass merchandising channels. More venture capital will become available for new product promotions, and the improvement of products already on the market. Industry productivity and profits will increase slightly. Weaker product lines will disappear, leading to fewer units in 1988.

During the next 3 to 5 years, marketers will revamp the way they do business, according to Goldman Sachs: marketing support programs will be more consistent than in the past, and the 4 to 6 year life cycle of new fragrances will not be accepted.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The toilet preparations industry, as defined in government reports based on the Standard Industrial Classification system, covers a wide range of personal care products, with U.S. shipments valued at $13.7 billion in 1987.

The complete Census of Manufactures compiled by the U.S. Bureau of the Census every 5 years (the most recent covering 1982) provides the most detailed benchmark data for the U.S. industry. The Annual Survey of Manufactures, covering a sample of plants, are compiled by the Census Bureau in intercensal years to provide key measures of manufacturing activity. In addition, the Census Bureau compiles an annual County Business Patterns report, which also includes U.S. total information on plants by number of employees, supplementing ASM data.

Another government source, the International Trade Administration (U.S. Department of Commerce) issues an annual Industrial Outlook report, which projects industry tends based on Census Bureau compilations.

In 1985, the latest year covered in Census Bureau reports currently available, 645 plants were operating in the toilet preparations industry, down from 652 the previous year. Along with plant closing and consolidations, the industry has stepped up capital expenditures almost 26%, and the new machinery and equipment component rose 43.5%.

GENERAL INDUSTRY STATISTICS

The Toilet Preparations Industry (SIC 2844*)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	596	--
Number of establishments (plants)	645**	652**	639	- 1.1%
Number with 20 or more employees	258**	255**	257	+ 1.2
Employees, total (thous.)	59.8	60.9	60.4	- 1.8
Production workers (thous.)	34.7	35.9	35.8	- 3.3
Payroll (mil. $)	$ 1,250.4	$ 1,208.4	$ 1,102.1	+ 3.5
Value added by manufacture# (mil. $)	$ 8,975.6	$ 8,310.0	$ 7,124.4	+ 8.0
Value of industry shipments## (mil. $)	$12,426.9	$11,664.9	$10,183.2	+ 6.5
Capital expenditures, new (mil. $)	$ 291.0	$ 231.3	$ 220.7	+25.8
New machinery & equipment (mil. $)	$ 239.3	$ 166.8	na	+43.5

na not available

* Standard Industrial Classification (SIC) 2844: includes establishments primarily engaged in manufacturing perfumes (including those blending and compounding perfume bases) and cosmetics, creams, lotions, etc. It also includes a large variety of products which are not the primary focus of this Fact File (but cannot be separated out of SIC-based data), such as dentifricis, shaving preparations, mouth washes, shampoos, etc.

** Includes establishments with payroll, as reported in County Business Patterns (U.S. Bureau of the Census).

# Value added by manufacture is derived by subtracting the cost of materials, fuel, etc., from the value of shipments and other receipts, with adjustments for finished and work-in-process inventories. It avoids the duplication in evaluating shipments which results from the use of products of some manufacturing establishments as materials by others, and is, for most purposes, the best measure of individual industries.

## Industry shipments include both products described as primary to the industry, as well as secondary products and miscellaneous receipts. The amounts shown as value of shipments for each industry and for individual products or classes of products are the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. For value of shipments of specific toilet preparations made by all manufacturers, including those making them as secondary products, see the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census:
1985 Annual Survey of Manufactures

Industry Trends

Based on the Census Bureau's 1985 Annual Survey of Manufactures, the International Trade Administration has compiled estimates on the value of industry shipments in 1986 and 1987, in terms of both current and constant dollars, and a forecast for 1988 (constant dollar basis). These estimates are summarized in the following table.

Industry Trends (continued)

The Toilet Preparations Industry (SIC 2844) Trends, 1985-1988
(Values in millions of dollars)

	1988(e)	1987	1986	1985	% Change 1987/86	% Change Forecast 1988/87
Value of industry shipments:						
Current $	--	$13,650	$13,050	$12,427	+ 4.6%	--
Constant (1982) $	$10,830	10,500	10,187	10,119	+ 3.1	+ 3.1%

(e) estimated

Source: U.S. Department of Commerce:
Bureau of the Census and International Trade Administration

Employment & Earnings

In 1987, 69.9 million persons were employed in the toilet goods industry, a gain of 7.7% from 1986. The rate of growth for production workers (about 2/3 of industry employees) was even larger, a gain of 8.0 % from 1986 to 1987. Average weekly overtime hours dropped 4.2%, however. (BLS figures on employment differ from Census Bureau figures due to differences in methodology in data compilation.)

Employment & Earnings in the Toilet Preparations Industry: 1985-1987

	Annual Averages 1987(p)	1986	1985	% Change 1987/86
All employees (thous.)	69.9	64.9	67.6	+ 7.7%
Production workers (thous.)	48.3	44.7	46.0	+ 8.0
Average weekly earnings	$367.35	$350.88	$336.65	+ 4.7
Average hourly earnings	$ 9.30	$ 9.02	$ 8.61	+ 3.1
Average weekly hours	39.5	38.9	39.1	+ 1.5
Average weekly overtime hrs.	2.3	2.4	2.0	- 4.2

(p) preliminary

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings

Location of the Industry

The top four states represented 52.9% of total shipments and accounted for 55.3% of all plants in 1982. The value of toiletry shipments for New Jersey, the leading state, represented 21.2% of all industry shipments. California led in the number of establishments (115), but held only a 5.4 % share of industry shipments.

Location of the Industry (continued)

Leading States in the Toilet Preparations Industry, 1982

	Value of Industry Shipments		Establishments	
	Mil. $	% of Total	Number	% of Total
Industry shipments, U.S. total	$10,183.2	100.0%	639	100.0%
Leading states:				
New Jersey	2,154.7	21.2	82	12.8
New York	1,437.6	14.1	114	17.8
Illinois	1,244.8	12.2	43	6.7
California	549.7	5.4	115	18.0

Source: U.S. Bureau of the Census:
1982 Census of Manufactures

Concentration in the Industry

According to Sales & Marketing Management's latest study, in 1987, there was a total of 648 plants with $13,765.5 million in shipments of toilet preparations and other receipts. Large plants with 100 or more employees represented only 22.2% of total plants but accounted for 87% of industry shipments - reflecting the increased consolidation that has taken place in the last few years.

Big Employers (Plants) & Their Share of The Toilet Preparations Industry Shipments, 1987

Number of Plants	
Total	648
With 100+ Employees	114
Large Plants % Of Total	22.2%
Estimated Shipments	$13,765.5
Percent in Large Establishments	87%

Source: Sales & Marketing Management
"Survey of Industrial & Commercial Buying Power"
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GENERAL INDUSTRY STATISTICS

Concentration in the Industry (continued)

Number of Manufacturing Plants in the Toilet Preparations Industry By Employment Size, 1985

	Establishments		Employment (Mid-March)	
	Number	%	Number	%
Number of plants, total	645	100.0%	59,890	100.0%
By employment size:				
Under 10 employees	304	47.2	1,058	1.8
10-49 employees	186	28.8	4,315	7.2
50-99 employees	48	7.4	3,424	5.7
100-499 employees	70	10.9	17,704	29.6
500 or more employees	37	5.7	33,389	55.7

Source: U.S. Bureau of the Census,
County Business Patterns 1985

The 1982 Census covered detailed information on concentration in manufacturing not available in later sources.

The Toilet Preparations Industry By Employment Size, 1982

	Establishments		Value Added By Manufacture		Industry Shipments	
	Number	%	Mil. $	%	Mil. $	%
Toilet preparations, total	639	100.0%	$7,124.4	100.0%	$10,183.2	100.0%
By establishment size--						
Number of employees:						
Under 50	483	75.6	335.7	4.7	525.5	5.1
50 - 99	48	7.5	209.0	2.9	377.8	3.7
100 - 249	38	5.9	383.2	5.4	649.5	6.4
250 - 499	33	5.2	1,688.5	23.7	2,465.7	24.2
500 or more	37	5.8	4,508.1	63.3	6,164.7	60.5

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
(MC82-I-28D)

According to the 1982 Census of Manufactures, of the 596 companies classified in the toilet preparations industry (SIC 2844), 102 were multi-unit companies, operating 145 plants (out of a total of 639). These companies accounted for 79.1% of total employment in the industry, 89.6% of value added by manufacture within the industry, and 88.6% of industry shipments.

INDUSTRY CONCENTRATION

Share of Industry Shipments Accounted For By the Largest Manufacturing Companies: 1982

	Value of Industry Shipments*					
	No. of Companies	Total (Mil. $)	% Accounted for by Largest Companies			
Industry			Top 4	Top 8	Top 20	Top 50
Toilet Preparations	596	10,183.2	34	49	71	88

* Includes the value of shipments of toilet preparations as well as secondary products, plus miscellaneous receipts for contract work, etc., by mills classified in this industry.

Source: U.S. Bureau of the Census: 1982 Census of Manufactures; Concentration Ratios in Manufacturing (MC82-S-7)

LEADING MANUFACTURERS

In 1987 alone, more than $1 billion was spent on acquisitions as companies responded to declining margins by selling off their cosmetics and beauty businesses. Analysts are predicting that industry consolidation will continue until only the cosmetics giants and a few entrepreneurial niche marketers remain. Some companies prefer to pay a hefty premium for existing brands with market share rather than attempt to launch new entries into a saturated market where only one in three new products will survive more than two years according to Salomon Brothers. When major firms pick up well-established brands, they typically receive a fresh infusion of marketing support, but at the same time, consolidation could hinder innovation. In addition, the toiletries and beauty aids industry is very mature and it is increasingly difficult to create new products with a definable difference.

One of the first big takeovers occurred late in 1985 when Pantry Pride bought Revlon Inc. and changed its name to Revlon Group. Continuing its buying spree in 1986, they purchased Max Factor, Almay and Halston cosmetics from International Playtex. These additions vaulted Revlon into the top position in mass market cosmetics, according to Advertising Age. Still on the acquisitions trail, Revlon bought Diane Von Furstenberg fragrances from Beecham Group and certain Charles of the Ritz fragrances from Yves St. Laurent. Revlon now has about 15 fragrance brands, and 25% of the mass fragrance market, according to company sources, with brands such as Charlie, Jontue, Enjoli and X'ia X'iang. The company is also spending $10 million to introduce Trouble, a new women's fragrance. Revlon is trying to find market niches for the company's 10 fragrance brands that are specific enough not to cannibalize each other.

LEADING MANUFACTURERS

Although the mass market is still the majority of Revlon's sales, the company is trying to become a major player in the department store arena. Currently, Estee Lauder dominates with a market share of about 38%. Revlon's market share is in the teens.

Total Sales and Profits of Leading Cosmetic Manufacturers, 1987
(In millions of dollars)

	Worldwide Sales	Profits	% Change 1987/1986	
			Sales	Profits
Procter & Gamble	$17,892	$238	+ 8%	-36%
Bristol-Myers	5,401	710	+12	+20
American Cyanamid	4,166	264	+ 9	+30
Eli Lilly	3,644	411	+10	-24
Beecham Group**	3,342	na	na	na
Gillette	3,167	230	+12	+1355
Avon Products	2,763	238	+19%	+58%
Chesebrough/Ponds (Unilever)*	2,730	na	na	na
Revlon Group* **	2,600	na	na	na
Schering-Plough Corp.	2,699	316	+13	+19
Squibb	2,157	358	+21	+83
Estee Lauder*	1,300	na	na	na
Int'l Flav. & Frag.	746	107	+20	+25
Cosmair Inc.* **	725	na	na	na
Faberge*	580	na	na	na
Alberto Culver	535	22	+19	+52
Noxell	489	44	+12	+17
Helen Curtis Ind.***	466	9	+22	-15
Neutrogena	150	18	+43	+79
MEM	71	na	na	na

* Private companies. Sales figures are estimates from industry sources
** 1986 figures
*** 12 mos ending Nov. 30
na not available

Source: BusinessWeek, "Profile of the Top 1000";
The Forbes 500: "40th Annual Report on American Industry"

LEADING MANUFACTURERS

Avon Products became a major factor in the $2 billion retail market for upscale fragrances, by acquiring two fragrance companies, Giorgio Inc. and Parfums Stern, which distributes Perry Ellis, and Oscar de la Renta. Avon was reacting to a changing market: fewer and fewer consumers were home to answer the Avon lady's call. The company faces formidable challenges, however: the style of promotion and advertising in upscale designer brands is very different from Avon's traditional market, and designer fragrances have had flat sales in recent years. On the other hand, the recent introduction of Catherine Deneuve fragrance won the Fragrance Foundation's "Most Successful Launch" award.

Although Avon can provide big company support services, it must assimiliate Giorgio and Stern with out stifling the brands's flexibility and creativity, according to Advertising Age. Meanwhile, Giorgio is adding line extensions and outlets. The brand controls 4.5% of the market according to Allan Mottus & Associates. Avon expects the direct sales business to grow less than 10% next year and for the retail side to exceed that amount.

Procter & Gamble Co. absorbed Richardson Vicks, giving the packaged goods giant control of Oil of Olay, the best selling facial lotion, along with the Vidal Sassoon and Pantene haircare lines as well as other personal care products, according to Advertising Age. Bain de Soleil became the first suncare product in the U.S. for Procter & Gamble, after the line was sold to Richardson Vicks by Revlon, giving P&G the third leading position in the category. Sales in the personal care division were $7,512 million in 1987. Wondra body lotion has a 4% share of the market. Oil of Olay, has a 24.3% share of the facial lotion category. Acne preparations sales grew 2.1% during 1986, and new-product activity is expected to encourage further growth.

In December 1986, Unilever bought Chesebrough-Ponds achieving its goal of establishing itself in the personal care market, a territory it had been unable to crack on its own. Unilever's now owns Pond's and Vaseline Intensive Care lotion - which commands a 20% share of the $500 million hand-and-body lotion category. U.S. sales for Chesebrough were $2.28 billion in 1986, up 23.7%, compared with worldwide sales of $2.73 billion.

Also late in 1986, Squibb sold Charles of the Ritz to Yves St Laurent bringing the toiletries carrying the YSL name directly under the French Designer's control.

Faberge, Inc. announced that it would buy New York-based Elizabeth Arden; which includes the Fendi line and the Karl Lagerfeld fragrances, from Eli Lilly & Co., Indianapolis, for $700 million. In the fiscal year ending January 1987, Faberge recorded total profits of $74 million on $550 million in sales. Volume is projected to rise to $642 million in fiscal 1988, compared with $580 million the year before.

Elizabeth Arden reported sales of $398 million in 1986, and operating profits of 32.6 million. Arden's Fendi for women reached sales of $7 million to $8 million in Bloomingdale's this year and a Fendi for men is scheduled for Europe in 1988. Faberge already sells low-priced toiletries such as Aqua Net hairspray, Faberge Organics Shampoo, and Brut men's cologne. With Arden's classy Chloe and Karl Lagerfeld fragrances, cosmetics, and skin treatment lines, and a dozen beauty salons, Faberge gains entree to the premium priced cosmetics market, according to BusinessWeek. A treatment product is slated for September 1988, and the company is continuing to repackage its make-up products.

LEADING MANUFACTURERS

Arden had been experiencing some problems; while Estee Lauder and Lancome were targeting younger, more upscale buyers, Arden has kept their more matronly clientele. In addition, the company was reported to have angered department stores by selling its prestigious Chloe and Lagerfeld fragrances in mass market outlets, undercuting department store prices.

Four-year old Calvin Klein Cosmetics, owned by Minnetonka, achieved more than $100 million in sales in 1987. The company expects gains of 40-50% as it launches its Eternity scent, as well as launching another product category for its Obsession for women and expanding its distribution of Obsession for Men.

American Cyanamid's Shulton's annual sales were $555 million in 1987. Shulton, which has a very large lead within the men's category already, is spending $5 million to introduce Santa Fe in September 1988. Night Spice was recently launched to complement Old Spice, which captures an older market. Shulton also starts shipping Bleu Marine, the new Pierre Cardin fragrance, in August 1988. Old Spice, targeted at the lower-middle market, remains the largest men's fragrance brand in the world, with wholesale volume topping $180 million, according to Advertising Age. Shulton reshuffled its product lineup in 1987 by selling its Jacqueline Cochran Inc. division to Sanofi. Only the Pierre Cardin line was retained.

Privately held Cosmair, 62% owned by Nestle SA, is the third largest beauty company. The business is primarily divided into four primary divisions: Lancome, L'Oreal, Biotherm, and designer and retail fragrances. The single greatest budget for one line in 1986 went to Lancome cosmetics, which spent $12.8 million in measured media, according to Advertising Age. Lancome's sales rose more than 20% to over $240 million last year. Market share for the line is estimated at more than 11%, ranking behind Estee Lauder and Clinique brands in department store sales. Lancome was one of the brands the FDA asked to change its advertising claims.

Approximate market shares are 30% for L'Oreal versus rival Clairol's 64%. In sales of styling aids, L'Oreal, which pioneered the mousse category, remained the leader with over 13% of the market's share in 1986, down from 15.5% in 1985 for both Free Hold and its new Studio Line, according to Advertising Age. L'Oreal ranked fourth in mass market cosmetics and is strenghtening mascara and eyeshadow products. Cosmair is ranked sixth in fragrance sales through chain drug stores, following Revlon, Unilever's Matchabelli, Squibb's Charles of the Ritz, Pfizer's Coty, and Beecham's Jovan. Cosmair's trio of men's fragrances - Polo, Drakkar Noir and Armani - continue to post healthy gains, each with distinctly different advertising and promotional strategies. Polo sales were estimated at more than $50 million net in 1987. Sales are expected to increase more than 15% in 1988. Four year old Drakkar Noir, which had sales of $25 million in 1987, is expected to achieve gains of 65% in 1988.

Armani fragrance sales in 1987 were $3 million, up 65% on a door-to-door basis.

MEM Corp. is fighting the swirl of new mass market men's fragrances this year with a new advertising campaign and three new extensions of its English Leather fragrance, which has also been repackaged. The scents are available for a limited time only in an attempt to help MEM build a year-round business. English Leather's retail volume is $40 million to $50 million, and the company reported sales of $71.1 million. English Leather's share of the men's fragrance category is 7% compared to 9% for Old Spice.

LEADING MANUFACTURERS

Helene Curtis Industries plans to spend $40 million to introduce its Salon Selectives. The "value-priced"line will be given an upscale image. Curtis is the nation's number 8 haircare marketer, with a 10% share. Last year, the company added styling aids to both the Suave value price line and the Finess premium line.

Colonia, which achieved a wholesale volume of more than $53 million last year markets Gucci fragrances. Volume is expected to reach $70 million wholesale the end of 1988. Collectively the Gucci scents have a wholesale volume of $20 million in the U.S. and $45 million worldwide. Gucci No. 3 accounts for roughly half of those figures. Colonia estimates its newest introduction, Gucci Nobile will pull in $10 million at whole sales in its first full year in the U.S, complementing its Gucci Pour Homme which is at $4 million.

Noxell Corp's Cover Girl sales grew by 8%-10% relative to a 4.5% gain in facial makeup, 0.6% in lipstick and 3% in eye makeup. Cover Girl is expected to grow 7-8%, and Clarion is forecast to jump 15%-20%. Introduced nationally in September 1986, the 85-item Clarion line of sensitivity-tested and fragrance-free products is designed for women with sensitive skin, estimated at more than half of all women. Clarion is priced 20%-30% higher than Noxell's popular Cover Girl line, and was expected to do very well at $50 to $60 million in 1987. Noxzema skin cream appeared in a new pump container and Noxzema Aerosol Shave was aimed at men with specific skin and beard types. Noxell's only weak category is lip products.

Maybelline, a unit of Schering-Plough, captures close to 20% of the $1.5 billion color cosmetics wholesale market. Noxell's Cover Girl holds about an equal share. Sales of eye cosmetics account for approximately 50% of Maybelline's worldwide annual wholesale volume of $400 million to 450 million. Close to $300 million of that total is done in the U.S. where sales of eye cosmetics represent slightly more than 50% of the business, and sales of nail color are about 10% of worldwide business. Lip and face color represent 25% and 15% of total business, respectively. Maybelline launched 14 new products in the first quarter of 1987. Two of them, Maybelline aerosol mousse makeup and Eye Pearls eye shadow, were the first of their kind to reach the U.S. market, according to Advertising Age. Suncare products, the Coppertone, Solarcaine and Tropical Blend brands, turned in a record sales performance for Schering-Plough, largely because of the introduction of several new and reformulated products.

In 1986, Beecham focused its U.S. efforts on its strong health and personal care businesses, while selling off some of its lagging cosmetics and consumer products operations, and cutting back on total U.S. spending by 37.7%, according to Advertising Age. The company sold Germain Monteil, Diane von Furstenberg, and Lancaster cosmetics to Revlon. Adidas men's fragrance and toiletres were introduced to the U.S. in 1986, with $2.1 million in measured spending. Other brands include Yardley, Jovan and Viabath.

Gillette began a compelete restructuring after fighting off several takeover attempts, especially by Revlon. A complete line of price-competitive, no frills tioletries, under the Good News brand name, is in test market on the West Coast. The idea is to capture all of the consumer's tioletries, health and beauty aids needs with a single brand, according to Advertising Age. In 1986 the company acquired Lustrasilk haircare products in the U.S.

PRODUCTION

The Federal Reserve Board indexes of production measure the overall level of physical output for U.S. industries with 1977 as the base year. The index, including soaps as well as toiletries, in 1987 was 188.9. This exceeds the level for all consumer goods of 127.8. Soaps and toiletries recorded a 3.3% increase over 1986, while the production index for all consumer goods rose only 3.1% for the year.

Industrial Production Indexes, 1983-1987
(1977 = 100)

	1987	1986	1985	1984	1983
Total industrial production	129.8	125.1	124.5	121.8	109.2
All consumer goods	127.8	124.0	120.7	118.2	109.3
Soaps & toiletries	188.9	182.9	175.6	156.7	139.9

Source: Board of Governors,
Federal Reserve System: Industrial Production (G12.3)

Capacity Utilization Rates

The U.S. Bureau of the Census conducts an annual survey of plant capacity which covers operations in the fourth quarter of the year. Measures on capacity utilization include a rate which is based on plant operators' preferred level of operations, i.e. generally considered to be the rate at which profits will be maximized. The rate of 72% in 1986 represented an 11 point increase over 1983, but was 6 points below 1985. Current rates are believed to be higher as many manufacturers are running at full capacity. For example, Estee Lauder started a third shift in 1988 and is using their Canadian factory for U.S. manufacturing due to lack of capacity.

Capacity Utilization Rates in the Toilet Preparations Industry
Fourth Quarters 1983-1986

Preferred Rate			
1986	1985	1984	1983
72	79	73	68

Source: U.S. Bureau of the Census, Current Industrial Reports: Survey of Plant Capacity, 1986 (MQC1(86)1)

PRODUCT SHIPMENTS

The value of shipments of all products included in the toilet preparations classification (which covers soaps, dentifricis, deodorents, etc., as well as the major components covered in this Fact File: cosmetics, fragrances and toiletries) has been estimated at $14.0 billion in 1987 by the International Trade Administration. This represented a 4.2% increase over the 1986 estimate totaling $13.5 billion, and compares with the annual 5.5% gains registered for 1986 and for 1985 over the previous year.

In constant dollars, discounting the effect of inflation, total shipments of toilet preparations in 1987 rose an estimated 2.7% over 1986. The annual growth rate from 1980-1985 averaged 1.1% in constant dollars and 9.2% in current dollars. A constant dollar increase of 2.5% was forecast by the ITA for 1988 over 1987.

The latest official industry data from the 1985 Annual Survey of Manufacturers (U.S. Census Bureau) places the total value of all toilet preparations by U.S. producers at $12.8 billion. The major items of fragrances, cosmetics and other toiletries amounted to $10.4 billion, down 1.8% from the 1984 total, due to a 7.1% drop in the value of shipments of fragrance products.

Value of Shipments of Specified Toilet Goods Classifications
By All U.S. Producers: 1982-1985
(Millions of dollars)

	1985	1984	1983	1982	% Change 1985/82
Toilet preparations, total	$12,826.2	$12,155.2	$11,247.8	$10,437.1	+22.9%
Fragrances, cosmetics, etc. total	10,371.9	10,565.3	9,669.2	8,929.5	+16.1
Fragrances	1,614.9	1,738.4	1,732.3	1,634.1	- 1.2
Hair preparations (incl. shampoo)	3,057.6	2,817.1	2,558.7	2,430.0	+25.8
Cosmetics, toiletries	5,636.7	5,305.7	4,760.3	4,266.5	+32.1
Toilet preparations, n.s.k.	628.7	704.1	617.9	598.9	+ 5.0
Other:					
Dentifricis, mouthwashes, gargles	1,464.6	1,174.6	1,227.4	1,178.9	+24.2
Shaving preparations	423.8	415.4	351.3	328.7	+28.9

n.s.k. not specified by kind.

Source: U.S. Bureau of the Census
Annual Survey of Manufactures;
1982 Census of Manufactures

Information of shipments of specific products is covered in greater detail in the final 1982 Census of Manufactures report on toilet goods. Details on selected products are noted below.

PRODUCT SHIPMENTS

Value of Shipments of Specified Products: 1982
(Millions of dollars)

	No. of Companies With Shipments of $100,000 or More	Total Value of Shipments
Toilet preparations, total	na	$10,437.1
Selected products, total	--	6,115.9
Fragrances	na	1,634.1
Perfumes	69	552.2
Toilet waters	23	322.6
Colognes	40	750.4
Hair preparations - selected types (excl. professional hair coloring, etc.)	--	1,258.9
Shampoos (consumer use)	na	784.3
Hair spray	31	392.0
Hair rinses	11	82.6
Cosmetics:		
Creams:	--	613.5
Cleansing creams	31	177.7
Foundation creams	22	143.4
Lubricating creams	22	186.3
Other creams	23	106.1
Lotions, oils (excl. hair, aftershave, bath)	--	668.5
Suntan, sunscreens	22	96.1
Cleansing lotions	23	89.0
Cosmetic oils	15	32.4
Hand lotions	44	206.8
Other lotions	21	244.2
Lipstick, other lip preparations	34	395.5
Blushes, rouges	28	161.6
Eye preparations	33	499.9
Manicuring preparations:	--	316.7
Nail polishes	28	234.0
Polish removers	15	42.9
Other products	8	39.8
Powder:		
Talcum, toilet powder	35	213.2
Face powder	25	111.5
Liquid, compact	9	32.5
Other powder	6	10.1
Bath salts, tablets, oils, bubble baths	37	169.2
Other cosmetics, toiletries	23	30.7

na not available

Source: U.S. Bureau of the Census:
1982 Census of Manufactures (MC82-1-28D)

PRODUCT SHIPMENTS

The level of concentration of product shipments among major manufacturing companies in the U.S. is compiled every five years by the Census Bureau in the Censuses of Manufactures.

Share of Shipments of Specified Products Accounted For By The Largest Companies: 1977, 1982

	Year	Total (mil. $)	% Accounted For By The Largest Companies: Top 4	Top 8	Top 20	Top 50
Fragrances	1982	$1,634.1	41%	64%	88%	99%
	1977	1,096.8	54	69	89	99
Hair preparations, incl. shampoos	1982	2,430.0	42	62	86	96
	1977	1,474.9	50	67	88	97
Other cosmetics, etc.	1982	4,266.5	38	55	80	95
	1977	2,597.4	39	56	79	95

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Concentration Ratios in Manufacturing (MC82-S-7)

FOREIGN TRADE

Once a healthy plus factor for the U.S. economy, the nation's trade balance in cosmetics and toiletries changed; in 1985, imports of toilet goods exceeded exports for the first time in recent history. The balance continued to deteriorate, as the value of imports rose to an estimated $431 million in 1987, up 13.4% from the year before. The trade deficit in cosmetics, which first appeared in 1985 at $20 million, is estimated to have reached $71.5 million in 1987. Exports, however, grew 12.5% in 1987 to $360 million.

The situation looks more hopeful for 1988: the trade gap could shrink by as much as $11 million as the weaker dollar finally puts a break on import growth. The import value forecast for 1988 is $470 million, an increase of only 9% from 1987. The value of exports is expected to increase slightly more in 1988 compared to 1987, up 13.9% to 410 million, according to the U.S. International Trade Administration.

Among those factors cited by the ITA for the growth in imports is the proliferation of foreign or "gray" market products entering the U.S. market. These goods tend to be higher-priced prestige lines that are diverted by wholesalers from overseas markets to discounters and mass merchandisers within the U.S. Counterfeit goods are also becoming more of a problem because of the ease with which they can be intermingled with diverted goods.

FOREIGN TRADE

The Coalition to Preserve the Integrity of American Trademarks (COPIAT) estimated that the fragrance and cosmetics industry lost an average of about $7.5 million per company in 1983, the highest average of any industry in the coalition. In 1985, customs estimated the fragrance "gray" market at $200 million a year. By 1986, the "gray" market was thought to account for at least 15% of total U.S. cosmetics sales, with some sources putting that figure as high as 35%.

Fragrances manufactured for sale in the U.S. have not contained Freon, banned by the FDA because of danger to the world's ozone layer since 1978. Some fragrance distributers, however, have continued to use it in aerosols meant for sale overseas in an attempt to discourage "gray" market imports. As part of the effort to halt entrance of these products, members of the cosmetics industy are registering their trademarks with the U.S. Customs Service.

U.S. Foreign Trade in Toilet Goods, 1984-1988
(Value in millions of dollars)

	Forecast					% Change	
						Forecast	
	1988	1987	1986	1985	1984	1988/87	1987/86
Value of imports	$470(e)	$ 431	$ 380	$ 322	$ 282	+ 9.0%	+ 13.4
Value of exports	410(e)	360	320	312	331	+ 13.9	+ 12.5
Export/shipment ratio	--	0.025	0.024	0.024	0.027	--	+ 4.2
Import/new supply ratio*	--	--	--	0.025	0.024	--	--

(e) estimated

* New supply is the sum of product shipments (not industry shipments) plus imports.

Source: U.S. Department of Commerce,
International Trade Administration:
1988 U.S. Industrial Outlook

France was the largest exporter to the United States, accounting for about 42% of U.S. imports. Germany was second, with 17%. Canada was the major importer of U.S. cosmetics, taking 15% of U.S. exports.

For many cosmetics firms the U.S. market is saturated and the only place for growth is overseas. Barriers to U.S. exports are varied. To protect their domestic industries, some countries levy high tariffs or close the door to U.S. goods.

Along with "gray" market toiletries, the increase in imports is attributed to a number of factors. They include: foreign manufacturers taking cuts in export profits in order to maintain market share; stepping up promotional and marketing efforts in the U.S.; and a willingness among foreign suppliers to make long-term overseas commitments. On the other hand more money is now being pumped into research by U.S. producers for "unique" products that conceivably could provide an export break-through. Continued escallation of prices for imports may slow growth in the U.S. At the end of December 1987, the import price index for essential oils and perfumes was up 14.4% over December 1986 and 27% higher than in December 1983.

PRODUCER PRICE INDEX

The producer price index for cosmetics & toilet preparations, a measure of average changes in prices at the point of production, rose 1.7% from December 1986 to December 1987. This follows a 3.7% annual rise in the price of these products in 1986. Lotions and oils (other than hand lotions) had the largest price gains at the producer level in 1987, rising 14.0%, respectively. There is a good deal of price volatility evident for various products. For example, the price of lip preparations rose 1.7% from 1985 to 1986, yet the price fell 10.9% from December 1986 to December 1987.

Producer (Factory) Price Index for Specified Toiletries & Cosmetics
(1967 = 100, unless otherwise indicated)

	December Average			Annual Average		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
All items	311.7	298.1	+ 4.4%	299.8	308.9	- 2.9%
Cosmetics & toilet preparations	256.9	252.7	+ 1.7	254.7	245.6	+ 3.7
Shaving preparations**	129.5	128.3	+ 0.9	133.6	132.3	+ 1.0
Perfume, cologne & toilet water**	144.3	140.7	+ 2.6	150.2	142.7	+ 5.3
Perfume	339.3	333.0	+ 1.9	332.6	321.4	+ 3.5
Cologne & toilet water	255.1	248.0	+ 2.9	282.3	264.0	+ 6.9
Hair preparations**	122.8	121.8	+ 1.1	120.2	116.0	+ 3.6
Hair tonics, incl., conditioners	256.3	262.3	- 2.3	259.9	256.4	+ 1.4
Hair dressings**	147.2	141.8	+ 5.7	140.2	136.3	+ 2.9
Hair spray (aerosol)*	295.8	285.6	+ 3.6	285.4	269.8	+ 5.8
Home & commercial permanents	241.2	235.9	+ 4.0	234.0	236.4	- 1.0
Creams**	152.7	148.5	+ 2.8	148.0	140.2	+ 5.6
Cleansing creams	423.2	401.9	+ 5.3	403.3	394.4	+ 2.3
Foundation creams**	140.9	136.8	+ 3.0	132.5	124.3	+ 6.6
Lubricating creams**	160.8	158.0	+ 1.8	158.7	150.8	+ 5.8
Other creams**	138.9	138.4	+ 0.4	137.8	127.7	+ 7.9
Lotions & oils**	139.7	132.6	+ 5.4	132.8	126.0	+ 5.4
Suntan & sunscreens**	130.6	129.3	+ 1.0	127.8	119.7	+ 6.8
Hand lotions	191.3	189.6	+ 0.9	195.9	187.6	+ 4.4
Other lotions & oils**	140.3	123.1	+14.0	123.1	121.6	+ 1.2
Cosmetics**	147.8	152.4	- 3.0	161.0	152.7	+ 5.4
Lip preparations	181.7	203.9	-10.9	238.5	234.5	+ 1.7
Blushes**	144.7	142.6	+ 1.5	140.9	131.2	+ 7.4
Eye preparations*	205.3	205.2	--	203.3	187.8	+ 8.3
Manicure preparations**	114.5	115.0	- 0.4	114.4	108.0	+ 5.9
Powders**	147.3	145.6	+ 1.2	145.4	139.4	+ 4.3
Face powder	268.3	263.6	+ 1.8	285.5	268.3	+ 6.4
Wet application powder**	149.8	140.4	+ 6.7	139.2	134.1	+ 3.8
Bath oils & salts*	na	na	na	154.6	162.0	+ 4.6

* 12/71 = 100
** 6/80 = 100
na not available

Source: U.S. Bureau of Labor Statistics

ADVERTISING EXPENDITURES

An estimated $1.7 billion was spent for space and time in measured media to advertise products in the broad toilet preparations classification in 1987; up only 3.4% from the year before, according to Advertising Age. It should be noted that this data, compiled from material supplied by Leading National Advertisers and Broadcast Advertisers Reports, does not account for some end rate discounts to bulk purchasers of TV time. Although the biggest dollar gain in advertising media in 1986 was for cable TV, in 1987 expenditures on cable were flat. Magazine advertising grew 16.6% in 1987 to $455.4 million, while network radio decreased 11.5% to $24.7 million.

Advertising Expenditures On Toilet Preparations, 1986, 1987
(Millions of dollars)

	1987	1986	% Change 1987/86
Total	$1,715.4	$1,659.1	+ 3.4%
Network TV	889.4	894.9	- 0.6
Magazines	455.4	390.7	+ 16.6
Spot TV	263.1	242.3	+ 8.6
Network Radio	24.7	27.9	- 11.5
Spot Radio	23.4	22.7	+ 3.1
Newspaper	*26.6	24.5	+ 8.6
Outdoor	1.5	1.5	0
Cable TV	54.7	54.6	+ 0.2

* estimated

Source: Leading National Advertisers,
BAR/LNA Multi-Media Service

The largest category is the advertising of hair treatments, with expenditures of $159.0 million, an increase of 2.3%. Advertising expenditures for shampoos & rinses totaled $155.4 million in 1986, the second largest expenditure of the various cosmetics & toiletries categories reported by Product Marketing. However, dollars allocated for shampoos and rinses decreased by 23.3%. The leading advertisers for this product group are Procter & Gamble ($44.6 million), followed by Helene Curtis, ($19.6 million), S.C. Johnson ($17.5 million). Only four of the top ten leading brands advertised in 1985 remained in 1986.

More than $122 million was spent to advertise creams & lotions in 1986, a whopping 22.4% decrease from the year before. The leading brands advertised in this product group for all media are Oil of Olay (Richardson-Vicks), by a wide margin, Vaseline (Chesebrough-Ponds), and Lancome (Cosmair).

ADVERTISING EXPENDITURES

Spending for advertising sunscreen and tanning products has been rising steadily--up nearly 15% in 1985 and 29% in 1986, and can be attributed to increased spending and repositioning by certain brands. Bain de Soleil remained the top spender, however, Squibb decreased spending by almost $1 million in 1986.

Fragrance advertising expenditures for 1986 remained about the same as in 1985. Fragrances receiving top advertising dollars included Obsession, Krystal, Carrington, Liz Claiborne, and Valentino.

Spurred by the interest in artificial nails, manicure products jumped 81% in advertising spending. Taking the biggest leap was Lee Pharmacuticals, which nearly tripled its advertising expenditures.

The biggest drop in spending was for bath products, which declined 31.6%, while dollar spent on toilet soaps, the third largest advertising category--declined 4.8% mainly du Johnson & Johnson cutting spending by $2 million. Proctor and Gamble was the biggest spender in the toilet soap category at $57.9 million, with Greyhound ($31 million) an Unilever ($28 million), second and third respectively.

Leading Advertisers Spending in Selected Cosmetics & Toiletries, 1986
(In millions of dollars)

Men's Toiletries		Sun Products		Bath Products	
Total	$82.3	Total	$16.5	Total	$12.3
Cosmair	11.3	Schering-Plough	4.6	J & J	3.6
Mennen	10.7	Squibb	2.8	Squibb	2.0
American Cyanamid	9.3	Estee Lauder	2.4	Beecham	1.5
Manicure Products		Fragrances		Lip & Eye Products	
Total	$94.2	Total	$115.7	Total	$68.1
Lee Pharm.	51.8	Pfizer	13.2	Schering	22.9
Cosmair	9.1	Revlon	13.0	Revlon	16.8
Unilever	8.7	Cosmair	11.8	Noxell	15.0
Facial Makeup		Creams,Lotion, Oils			
Total	$53.9	Total	$122.1		
Noxell	25.3	P & G	22.0		
Revlon Group	6.1	Unilever	17.5		
Cosmair	5.4	Revlon	9.3		

Source: Product Marketing

According to an analysis of 10-K reports filed by publicly owned companies with the Securites & Exchange Commission, advertising expenditures in 1986 represented 9.4% of the total sales of the perfume, cosmetic and toilet preparations industry. (The base sales figures include advertisers and non advertisers; individual companies may spend significantly more or less than the overall industry percentage.) This compares with a 13.1% share reported in 1985, and 8.4% in 1982. Included in the figures are all expenditures classified as "advertising expense": by the reporting company, and estimates are also subject to differences in classification systems. Media and nonmedia advertising and production costs are included.

ADVERTISING EXPENDITURES

Perfume, Cosmetic and Toilet Preparation Advertising Expenditures
1982 - 1986

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate %
1986	9.4%	14.6%	5.6
1985	13.1	21.3	7.2
1984	11.5	19.3	7.6
1983	9.0	15.2	7.6
1982	8.4	14.5	7.1

* margin is net sales less cost of goods sold

Source: Pansophic Systems and Schoenfield & Associates (*Advertising Age*)

AT THE RETAIL LEVEL

CONSUMER EXPENDITURES

The nation's consumers spent an estimated $24.2 billion for toilet articles and preparations of all types in 1986. This was 5.2% above the total of $23.0 billion reported by the Bureau of Economic Analysis for the year 1985. On a constant dollar basis, eliminating the effects of inflation, spending in 1986 gained 2.0% over 1985.

Included in the personal consumption figures compiled by the Bureau are cosmetics, fragrances and toilet preparations, as well as hair dryers and other personal care items. The figures include shampoos, hair sprays, etc. that are purchased over-the-counter by consumers in beauty salons and barbershops, but not those products that are used by the stylists to treat their customers.

Personal Consumption Expenditures For
Toilet Articles & Preparations, 1983-1986
(Billions of dollars)

	1986	1985(r)	1984(r)	1983(r)	% Change 1986/85
Total, current $	$24.2	$23.0	$21.9	$20.3	+ 5.2%
Total, constant (1982) $	20.7	20.3	20.0	19.2	+ 2.0

(r) revised

Source: U.S. Department of Commerce,
Bureau of Economic Analysis:
Survey of Current Business, July 1987

By Product Type

Definitive figures on retail sales of toiletries, cosmetics, and fragrances are difficult to arrive at due to the lack of a uniform definition of products to be included in this classification, as well as the great variety of retail outlets selling these products.

Product Marketing magazine, a trade publication, estimated the size of the market at $17.3 billion in 1986, an increase of only 1.9% over their 1985 estimate of $16.9 billion. Their definition of the market, in terms of products, is narrower than that used by the U.S. Bureau of Economic Analysis.

Drawing on various market studies, and taking into account information from the great variety of retail outlets involved--department stores, mass merchandisers, supermarkets, drug stores, direct mail, etc. -- *Product Marketing* has compiled estimates on sales of specific product categories, which are intended to show changes and trends, rather than to precisely define exact dollar amounts. These figures are covered in the following tables.

Men's toiletries is the only overall category experiencing growth with a 12.6% increase in 1986 over the year before, especially in colognes (32.3% increase) and skin treatment products (19.3% growth). Other items showing strong potential are foundation makeup (up 17%) and wave sets (up 34.0%) and face powder (up 14.0%). Women's fragrances was the category with the biggest loss of 1.1%. Consumers spent less on nail products (down 6.5%) shampoos (down 4.0%) and straighteners (down 4.7%).

By Product Type (continued)

Cosmetics, Fragrances, Toiletries
Estimated Volume At Retail, 1982-1986
(Millions of dollars)

	1986	1985	1984	1983	1982	% Change 1986/85
Cosmetics, fragrances, toiletries, total	$17,259.3	$16,946.3	$15,880.5	$14,820.5	$13,798.3	+ 1.9%
Cosmetics	4,956.8	4,753.7	4,298.0	3,845.8	3,584.2	+ 4.3
Fragrances, women's	2,958.7	2,990.4	2,709.8	2,469.2	2,187.8	- 1.1
Hair products, women's	3,047.6	3,047.8	2,967.9	2,804.7	2,679.5	--
Men's toiletries	1,263.9	1,122.7	1,071.5	1,022.1	918.0	+12.6
Skin preparations	2,663.7	2,684.5	2,628.4	2,632.5	2,498.1	- 0.8
Personal cleanliness (bath soaps, external deodorants)	2,368.6	2,347.2	2,204.9	2,046.2	1,930.5	+ 0.9

Source: Product Marketing: 40th Annual Consumer Expenditure Study (August, 1987)

Estimated Consumer Expenditures for Specified Products
1985, 1986
(Millions of dollars)

	1986	1985	% Change 1986/85
Total, all products	$17,259.3	$16,946.3	+ 1.9%
Cosmetics, total	4,956.8	4,753.7	+ 4.3
Foundation make-up	647.8	553.8	+ 17.0
Lipsticks/Color/Gloss	949.7	956.7	- .0.7
Face powder	371.4	325.7	+ 14.0
Eye makeup	1,181.7	1,238.7	- 4.6
Nail products	743.4	794.8	- 6.5
Cover products	90.0	90.5	- 0.6
Cheek color	463.1	433.4	+ 6.9
Other, including accessories	259.7	257.5	+ 0.9
Unspecified	250.0	102.5	*
Fragrances, women's, total	2,958.7	2,990.5	- 1.1
Perfume	220.0	207.5	+ 6.3
Toilet water, cologne	2,092.4	2,119.5	- 1.3
Gift sets	319.2	331.3	- 3.7
Scented bath products	327.1	332.1	- 1.5
Hair products, women's	3,047.5	3,047.7	--
Shampoos	1,138.8	1,186.1	- 4.0
Conditioners	387.6	382.5	+ 1.3
Dressings (including mousse products)	131.6	148.5	- 11.4
Color preparations	570.6	537.5	+ 6.2
Home permanents	124.6	121.6	+ 2.5
Straighteners	55.1	57.8	- 4.7
Wave sets	38.2	28.6	+ 34.0
Fixatives	526.1	510.8	+ 3.0
Ethnic products	74.9	74.3	+ 0.8

(continued)

CONSUMER EXPENDITURES

By Product Type (continued)

Estimated Consumer Expenditures for Specified Products
1985, 1986
(Millions of dollars)
(continued)

	1986	1985	% Change 1986/85
Men's toiletries, total	$1,263.9	$1,122.7	+ 12.6%
Colognes	358.1	270.7	+ 32.3
Talcum powder	7.0	7.0	--
Gift sets	141.6	128.0	+ 10.6
Hair products (sprays, gels)	154.3	146.7	+ 5.2
Hair coloring	28.0	26.7	+ 4.9
Shave cream	223.7	214.9	+ 4.1
After-shave products	302.0	289.9	+ 4.2
Skin treatment products	19.8	16.6	+ 19.3
Pre-shave products	21.8	22.3	- 2.2
Ethnic Products	7.6	na	--
Skin preparations, total	2,663.7	2,684.5	- 0.8
Suntan, sunscreen products	254.1	248.1	+ 2.4
Acne products	158.8	161.2	- 1.5
Face creams/cleansers	556.1	579.2	- 4.0
Face lotions/moisturizers	542.7	514.0	+ 5.6
Body lotions/emollients	418.0	411.9	+ 1.5
Hand creams	64.7	61.5	+ 5.2
Other (Bleaches, Depilatories, Cortisone, Lip Protectors)	669.3	708.6	- 5.6
Personal hygiene, total	2,368.6	2,347.2	+ 0.9
Bath soaps	1,273.6	1,285.1	- 0.9
External deodorants	1,095.0	1,062.1	+ 3.1

*Items included in this category (estimate for direct mail etc.) in 1985 and 1986 were not comparable.

Source: Product Marketing, 40th Annual Consumer Expenditure Study (August 1987)

MARKETING DEVELOPMENTS

Fragrances

Annual unit growth of total U.S. women's fragrance sales rose slightly more than 1% in 1987. In dollars, growth in 1987 was 2-3%. The category had an estimated 4% to 5% dollar increase in 1987, according to C.H. Kline. Growth of about 5% until 1991 is projected for the total fragrance category. At least 20 new scents will be introduced in 1988 in addition to the nearly 700 fragrances now in U.S. distribution, reports the Fragrance Foundation. Ninety new fragrances, including line extentions were introduced in 1987, a 20% increase from 1986, according to Marketing Intelligence Service. However, approximately 80% of new fragrances fail, says one industry source.

Companies are spending heavily during fragrance launches to win early and keep the momentum going. Calvin Klein spent $17 million launching Obsession, and Chesebrough Ponds spent $10 million on the initial campaign for Elizabeth Taylor's Passion in 1987.

Fragrance (continued)

In 1986, 84.1% of all women nationwide used fragrance--60.1% used cologne; 29.1% used perfume and 7.4% used toilet water--with 64.3% using sprays and 36.7% using liquid form, according to Simmon's Market Research Bureau.

Fragrance Usage Among Selected Name Brands

	% Usage*		% Usage
Anais	3.5%	Giorgio	4.2%
Avon		Guerlain	
Candid	5.1	Shalimar	2.1
Foxfire	5.1	Halston	5.2
Odyssey	5.6	Jean Nate	5.9
Soft Musk	9.9	Jovan Musk Oil	5.8
Cachet	5.7	Nina Ricci	
Chanel No.5	10.4	L'Air du Temps	4.8
Chantilly	5.3	Obsession	1.6
Coty		Opium	5.8
Emeraude	5.8	Revlon	
Wild Musk	5.0	Charlie	7.7
Elizabeth Arden		Jontue	7.4
Blue Grass	1.3	Intimate	1.9
Estee Lauder		Scoundrel	2.5
Aliage	3.4	Vanderbilt	6.4
White Linen	5.4	White Shoulders	8.2
Youth Dew	5.1	Wind Song	8.6

* Among total women

Source: Simmons 1986 Study of Media & Markets

Several retailers launched their own fragrances in 1987 including Tiffany and Bijan. Tiffany's launched its brand in eight of its boutiques and recently expanded to six upscale retailers. Even Caesar's World, the hotel and gambling casino has developed its own fragrances.

Estee Lauder, Cosmair, Revlon and Avon control 65% of the department store beauty business. Smaller fragrances must use niche marketing. Specialty stores and perfumeries look for more eclectic offerings and opt for lesser-distributed brands. Sampling and gift-with-purchase offerings, however, must be used more extensively in these outlets to build the business, according to Advertising Age.

Top Selling Women's Fragrances in Department Stores, 1987
(Wholesale dollars in millions for 1986)

Fragrance	Sales
Giorgio	$55
White Linen	42-40
Obsession	40
Opium	38
Oscar De La Renta	34
Youth Dew	34
Passion	30

Source: Prudential-Bache Securities

Frangrances (continued)

Brand life cycles are shrinking: Giorgio, introduced in 1980, made its greatest gains between 1983 and 1985, when fragrance sales reached $100 million, and is showing signs of having peaked. Obsession already generated sales of $30 million in its debut year. More people are running into the market for shorter, faster-built life-cycle brands. Retailers have encouraged this by pushing new fragrances at the expense of older brands.

A recent new development is the rise of the EDP (Eau de Parfum) according to Product Marketing. Perfume's concentration of essential oils might be 30%, and the eau de toilette (EDT) has a 15% concentration of the same essence. Eau de Parfum fills in at the mid point with 20-22% concentration. What this means (in terms of price) is that if a prestige perfume typically sold for $175 for one ounce, and the EDT (which commands a greater amount of units sold) was priced proportionately at $40 an ounce, the EDP would be priced somewhere between the cost of the perfume and the EDT. A specific example is L'eau de Parfum Arpege which sells at a top price of $62. In addition, French exporters receive tax advantages by using the EDP formulation.

An approximate breakdown of 1986 sales of women's fragrances in the various channels of distribution was: department stores, over 30%; drugstores, 25%; mass merchandisers, 15%; direct sale, 15%; with food stores and mail order establishments sharing the remaining 15% of the market.

Knock-off Fragrances

Knock-offs are fragrances with scents similar to prestige brands, which use the name of the original fragrance on the packaging, but sell at much lower price points. Knock-offs started in the early 1980's when prices for prestige brands doubled and quadrupled. Unlike traditional low-price imitations, knock-offs are backed with aggressive marketing strategies. The typical slogan is "If you like Obsession, you'll love Confess". Knock-offs--or "alternative designer fragrances" (ADF's) as their manufacturers prefer to call them, are sold door to door and through mail order establishments, but the bulk of business comes from the mass-market outlets.

Industry sources estimate that there are as many as 27 copycat fragrance companies, some which even copy other knock-offs. Coeur is the largest knock-off fragrance company representing approximately half of the knock-off market in 1986. The segment's estimated $150 million to $200 million in retail sales, constituted about 7% of the total fragrance market in 1986. By comparison, in 1985 knock-off fragrances represented only $50 to $75 million in retail sales. Lenox, makers of The Great Pretenders, reached a sales volume of $12 million last year. Knock-offs compete with mass market fragrances such as Jontue, as well as stealing share from the prestige fragrances they imitate. Most knock-offs can be developed and out on the shelves faster than the originals.

Manufacturers of ADF's such as Deborah International Beauty, Parfums de Coeur and Westport Laboratories are facing increased litigation. Some industry insiders are predicting a shakeout in the crowded ADF market, but major companies entering the market are an indication of the category's strength and staying power.

MARKETING DEVELOPMENTS

Home Fragrances

Environmental fragrances, as they are called, include pillows, shoe sachets, clothes hangers, drawer liners, candles, room sprays and vaccuum refreshers. There are also a number of electric gadgets, about the size of a paperweight, which dispense aromas to suit almost evey mood.

Americans spent more than $250 million on designer fragrances, versus $375 million spent on mass-market room deodorants last year, twice as much as in 1980. About 25 companies now concoct these scents; five years ago there were only a handful, according to C. H. Kline & Company. Baby boomers are having families and are entertaining at home. They want their houses to look and smell terrific. Major specialty scent manufacturers include Scarborough & Company, Avon, and Creative Environments.

Home Fashions Textiles magazine surveyed 27 top volume department stores, and 37 top specialty stores representing some 992 units and 183 stores, respectively across the country. Home fragrance items are carried in most specialty stores but were not yet available in most department stores at the time of the survey. Store buyers believe home fragrance items are great impulse and gift shopping items.

Percent of Unit Sales by Category of Home Fragrances

	Specialty Stores	Department Stores
Home Fragrances, Total	100%	100%
Potpourri	33	46
Room Fragrances*	27	22
Drawer Liners	17	15
Sachets	15	11
Scented Candles	8	6

* Includes sprays, lamprings and atomizers

Source: Home Fashions Textile, August 1987

Skin Care

The $2.7 billion "at retail" skin care market in 1987 is projected to grow slightly over 7% annually, with moisturizers leading at approximately 8%, according to C.H. Kline. Hand and body treatment growth through 1991 is projected at 5%-10%, slightly less than for facial treatment with broad distribution outlets garnering 50%-60% of sales and department stores a bit over 10%. At broad distribution, A.C. Neilsen reports that drugstore skin care sales, (including suntan oils and lotions and depilatories) totalled $560 million through August 1987, up 6.5% over 1986. For the food, drug, and mass outlets combined, the eight-month total was nearly $1.2 billion (up 7.9% over 1986). Limited distribution retailers reported double digit sales increases in 1987. Broad distribution accounted for 40%-50% of facial treatment sales in 1986 and limited distribution 40%-50%. Moisturizers (including lip treatments) represented 60% of the facial treatment market, cleansers held a 20% share, astringents/toners, 7-8%; masks 2-3% and other (including specialty creams), 7-8%.

Skin Care (continued)

Projected Growth of Retail Skin Care* Sales
(Millions of dollars)

Year	Total
1988	1,693
1989	1,774
1990	1,868
1991	1,979
1992	2,113

*face, hand, body lotions and creams, only

Source: Packaged Facts

Anti-aging creams are the fastest growing segment of the $1 billion skin care industry since they appeared in 1985. One industry consultant estimated that department stores and other retailers sold $300 million to $400 million worth of the creams, which are the most expensive type of cosmetic on the market.

Many marketers shifted from regimens-only to scientifically advanced single-items supported by heavy national advertising, in-store collateral and attractive packaging, in 1987. Well positioned products that can stand alone at retail are gaining favor, according to Advertising Age.

The Food & Drug Administration (FDA) recently tightened its restrictions on skincare labeling claims to include advertising claims as well. The FDA notified 22 skincare and cosmetics marketers that they must either stop claiming that their creams can affect the structure and function of the human body, or prove to the agency that their products could work safely as a drug product. Treatment products, with strong claims, are selling briskly, however, and manufacturers are launching more products of this nature in 1988.

Cosmetics companies are also facing new competition from Retin-A a prescription anti-acne drug for use as an anti-wrinkle cream. Johnson & Johnson's Ortho Pharmaceutical division recently petitioned the FDA for approval of their Retin-A anti-wrinkle product. At present Retin-A is not available in department stores, but retailers predict that products containing ingredients similar to Retin-A will be part of the next wave of skin care products. Also arriving in the near future will be color cosmetics that promote the benefits of anti-aging.

Simmons Market Research Bureau (SMRB) published information collected from personal interviews of more than 19,000 consumers nationwide in the 1986 Study of Media and Markets. Among the findings: 85.8% of female shoppers are users of hand and body cream, lotion or oil, and 24.4% were characterized as heavy users (used 14 or more times in the last seven days). The share of purchases accounted for by the heavy users was 47.7% The heavy user group was subsequently broken down into geographic, economic, and demographic segments. Only the segments which are substantially above the norm are illustrated here.

Skin Care (continued)

Hand & Body Cream, Lotion or Oil
Percent Heavy Users Above the Norm

Region	South	+17
	Pacific	+11
Type of Area	Non Metro	+ 8
Household Income	$40,000 or more	+19
Age Group	35 - 44	+12
	45 - 54	+ 8

To assess the use, attitude and behavior of women who purchase skin care products, People magazine commissioned a study of over 900 women on their use of skin care products, defined as facial cleansers, moisturizing products and skin care treatments other than facial soap.

Highlights from the study include: the most valued ingredients in skin care products are those that are hypo-allergenic, provide a sunscreen and prevent wrinkles. Medicated ingredients are less important, except to women under 25. Benefits sought, in order of importance are: moisturizing, followed by deep-cleansing, hypoallergenic, suncreen and minimizing wrinkles. Drug or chain stores are most popular for skin care purchases, department stores are a close second, followed by discount stores and supermarkets. Women under 25 are more likely than any other age group to shop in drug/chain stores, and items purchased include moisturizers and cream or lotion cleansers. Most women are generally brand loyal to skin care products, and use of a single brand increases with age.

Hair Care

The hair care category continues to show flat growth--an estimated 1%-2% in units and 3%-4% in dollars in the first half of 1987. Through August 1987 A.C. Nielson reports hair care totaled $912 million at drugstore outlets (an 0.8% drop from 1986), and $2.5 billion for food, drug and mass retailers combined (up 2.3% from 1986). There are approximately 2,000 hair care SKU's on the market, with 41% of toiletry best-sellers in hair care. More than 175 hair care products were launched through October 1987, according to Marketing Intelligence Service.

Hair care trends include products with more temporary effects, such as instant-in colors, sprays for spot use, and multiproduct styling lines (which are becoming more common). Clairol is currently pioneering a video/computer link-up to project how an individual will look with a specific hair color.

Projected Hair Care* Sales & Average Growth: 1987-1992
(In millions of dollars)

	% Avg. Annual Growth	1987	1988	1989	1990	1991	1992
Total	+ 4%	$1,770	$1,858	$1,955	$2,056	$2,167	$2,287
Sprays	+ 5	525	551	579	607	637	669
Coloring	+10	435	478	526	579	637	700
Ethnic	+ 3	285	293	302	311	320	330
Mousses	+ 3	215	221	228	234	241	248
Men's	+ 5	135	142	149	156	164	172
Home Perm.	- 3	130	126	122	118	114	111
Gels	+ 5	45	47	49	51	54	57

* excluding shampoos & conditioners

Source: Packaged Facts

Low priced brands now approach 24% of the market in dollars. With consumer's continued focus on value, they may continue to expand their share to capture 30% of the market, as predicted by Saloman Brothers. The premium priced category has grown to 14% of the market. This segment is fueled by two-income families who account for 33% of households.

According to Simmons Market Research Bureau's 1986 estimates of all females, 23.5% used hair coloring products and of all males 7.9% used a hair coloring product. In the case of shampoo, 91.1% of all females used shampoo; 18.8% on a daily basis. Of all males, 89.9% used shampoo; 23.9% on a daily basis.

Sun Care

The sun category, as defined by C.H. Kline, accounts for $350-$400 million in sales at retail, with a 7% annual growth through 1991, suncreens might reach double-digit growth after 1991. Kline projects an increase in the current market share for limited distibution outlets, from about 10% of the market in 1986, due to the rise in department store lines. Dollar volume in broad distribution was up 10.1% over 1986, to $247.6 million, through August 1987. Drugstores accounted for $124.1 million; foodstores, $65.6 million and mass merchandisers, $57.9 million for the eight month period, reports Nielsen Marketing Research. Dollar volume in food outlets was up 13% to $345 million in 1987, according to Salomon Brothers. Approximately 90 new products were introduced in 1987, according to Marketing Intelligence Service.

Trade sources predict that high-protection products, which currently claim 40% of the market, will account for more than 50% of all suncare sales in 1988. Broad spectrum screen will include products to filter out both UVA and UVB rays. While the growth of tanning products has only kept pace with inflation, the high protection segment has been posting solid double-digit gains averaging 15%. The breakdown in sales: Suntan Products (SPF5+), 50%; Sun Blocks/Screens, 40-45%; and Other (tan accelerators, self-tanning products, zinc products, after tan products), 5-10%.

MARKETING DEVELOPMNENTS

Sun Care (continued)

Eclipse Laboratories saw its sales leap to $11.3 million in 1987 from $2 million in 1986. Most of the growth was attributed to Cancer Garde (SPF 30), the first product to use the word "cancer" in its name. Even Bain de Soleil has lightened up the fashion tan, and introduced new products with SPF's of 30. The Food & Drug Administration is evaluating whether to endorse SPF's higher than 15. Each year half a million Americans develop superficial skin cancers and about 23,000 others develop malignant melanoma, placing increased emphasis on the role of sun exposure as a causative factor.

Line extensions are being introduced from upscale cosmetics and fragrance houses such as Chanel, Arden, Lauder, and Giorgio. Products are targeted increasingly to segmented markets such as consumers with sensitive skin, children, and sports enthusiasts. Other segments are those who tan for good looks such as 16 to 25 year olds, and over 25 year olds who are concerned about sun exposure.

Suntan & Suncreen

A whopping 43.6% of 20,000 respondents polled in the Simmons 1985 Study of Media and Markets, use suntan and sunscreen products. About 35% select the brands they use themselves, while 10% said their spouse makes the selection.

Usage of Sun Care Products

Type	
Total	100.0%
Sun Block	12.6
Suntan/Sunscreen	32.8
Other	4.8

Form	
Total	100.0%
Lotion	32.5
Oil	17.6
Tube	4.9
Aerosol/Solid	1.2

Number of Sun Care Products Used
(In a 12 month period)

Six or more sun products	1.8%
Five products	0.8
Four products	1.9
Three products	4.0
Two products	10.3
One	13.8
Less than one	11.0

Source: Simmons 1985 Study of Media and Markets

MARKETING DEVELOPMENTS

Nail Care

Although nail products were projected to do well, 1987 saw a 6.5% decrease in sales of nail color, according to Product Marketing. Nielsen reported sales of $164.9 million for nail color products at broad distribution for the first eight months of the year, a 6.4% decline from the previous year. The downward trend in nail polish has been due to new products that haven't panned out, lack of "big news" on the market, and the impact of competition from colored artifical nails, according to Product Marketing. Growth is coming from subsegments, such as treatment, and several emerging marketing trends are expected to impact on sales. According to Packaged Facts, these are increased advertising (which until recently was minimal), and upscale packaging. In addition manufacturers increasingly gear their color to seasonal trends in high-end cosmetics to increase sales, and are diversifying into nail treatments, implements and polish removers. More products formerly available only in salons are making the crossover to retail, and salon-type products are being developed for the retail market.

Projected Growth of Retail Nail Care Sales, 1987-1992
(in millions of dollars)

Year	Total
1987	$ 960
1988	1,040
1989	1,100
1990	1,155
1991	1,215
1992	1,275

Source: Packaged Facts
Product Marketing, January 1988

Color Cosmetics

Color cosmetics, comprised of lip and cheek color, nail products, eye makeup, face powder, and foundation--reached approximately $5 billion at retail in 1986. According to C.H. Kline, drugstores accounted for over 30% of sales; department stores, over 20%, mass merchandisers, over 10%; and direct sales over 10%.

Sales at drug, mass merchants, and food outlets combined totaled slightly over $1 billion through August 1987, according to A.C. Nielsen, up 4.3% over the same period the year before. Lip and face makeup are trending most strongly. Combined with treatment, limited distribution retailers report this category as the fastest growing in the cosmetics department. New products include Adrien Arpel's Line Fill, a photo-grey cream painted on to fill in and smooth out wrinkles before foundation is applied, and Teint Poudre Dual Powder Foundation from Christian Dior, used wet or dry, and presented in an ultra-slim compact, reports Product Marketing.

NEW PRODUCTS

New Product Introductions, 1986 and 1987

	1987	1986
Color cosmetics	221	158
Skincare	181	154
Fragrance	90	72
Bath Products	52	68

Source: Beauty Age

POTENTIAL MARKETS

The Men's Market

After a decade of optimistic projections, the men's grooming category is on the rise. In 1986, total dollar volume sales at retail for men's grooming products and supplies reached $1.2 billion. The forecast for 1991 is over $1.6 billion in 1991, according to FIND/SVP. The study reports better than 5% annual growth is expected for skin care, colognes/fragrances, after shaves and antiperspirants/deodorants, and forecasts an overall growth rate for the category of 4.5% per year before price increases. Shave, after shave and pre-shave products comprise almost 46.2% of the total market; colognes/ fragrances, 26%, and hair care products claim a 12.3% share. Of the $858 million retail value of men's grooming products sold through department stores in 1986, 44% was in aftershave, colognes, gift sets and skin care products.

Cosmair and Lauder dominate the industry. FIND/SVP estimate the annual sales of men's grooming products by Estee Lauder to be about $140 million, with fragrance accounting for about $60 million. Cosmair's broader distribution base contributes to its greater dollar volume of $180 million in men's grooming products. Advertising expenditures for the men's toiletries and shaving supplies category totaled nearly $155 million in 1986, with about 54% being spent on network television, according to Product Marketing. The top five advertisers, Cormair, Mennen, American Cyanamid, Pfizer and Estee Lauder spend $46.3 million or 56.3% of the total for the category. The breakdown of sales for men's fragrances by channel of distribution: department stores, 20%; drugstores, over 30%; mass merchandisers, over 20%; direct sale, 10%; and foodstores, mail order house etc. held the remaining 20% share of the market.

Sales of Men's Toiletries, 1987, 1991
(In million of current dollars)

			% Change		Share of
	1987*	1991*	1987/86	1991/87	1987 Total
Total Toiletries	$1,310	$1,600	+ 7.0%	+ 22.1%	100.0%
Shave, After shave Preshave	$604	$730	+ 6.2	+ 20.9	46.2
Colognes/Fragrances	340	435	+ 9.7	+ 27.9	26.0
Gift Sets	142	168	+ 5.2	+ 18.3	10.8
Skin Care	28	50	+40.0	+ 78.6	2.1
Hair Care	161	180	+ 3.9	+ 11.8	12.3
Hair Coloring	28	30	0	+ 7.1	2.1
Talcum Powder	7	7	0	0	0.5

*Projected

Source: FIND/SVP

The Men's Market (continued)

Most of the men's market purchases are still made by women. One cosmetics industry analyst estimated that up to 80% of all men's toiletries are bought by wives and girlfriends. Factors which will help expand the men's market are the baby boomer's growing preoccupation with aging; changing attitudes toward fitness and exercise; and a continuing influx of women into the nation's workforce.

Presently, 33.5 million males over age 35 have gray hair but only 10% color their hair, with some of those men using women's hair coloring products. In a survey of over 1,000 middle-aged men, conducted by the Home Testing Institute, 52% thought it okay for men to color their hair and 63% thought too much gray made a man look old. The majority, however, disapproved or had reservations about coloring gray hair. Looking to expand the estimated $47 million men's hair coloring market (which does not include men who use women's products), Combe Inc., makers of Grecian Formula 16, are introducing Just for Men Shampoo-In Haircolor.

With an estimated 30 million men in the U.S. experiencing some degree of baldness, hair thinning supplements are taking on increasing importance. The American Medical Association reports by age 35, 38% of men will have thinning hair, at 45 years of age, 50%. In focus groups conducted by Aramis, 98% of the men noted that both thinning hair and a receding hairline were of key concern.

RETAIL SALES BY OUTLET TYPE

During the last decade, consumers are increasingly shopping in convenient food, drug and discount stores. Department stores still control 43% of the estimated $7.5 billion spent on all cosmetics and fragrances in 1987, but that share has dwindled; drugstores now snare 37%; food stores, 7%; and discounters, 13%, according to Advertising Age.

The U.S. Census Bureau has released data on sales of a broader classification of health and beauty aids by type of outlet, based on the 1982 census of retail trade. This is a complete census of all retail establishments with payroll in the U.S. and is part of the economic census program undertaken by the Census Bureau every five years.

Sales of prescription drugs were included in the totals for the health and beauty aids category for the first time in the 1982 census. This swelled drug and proprietary stores' share of total HBA sales. Since this Fact File does not cover prescription drugs, market shares were recalculated to account for over-the-counter products only.

RETAIL SALES BY OUTLET TYPE

Sales of Health & Beauty Aids By Major Type of Retail Outlet, 1982

	Sales By Outlet Type	
	Millions of $	Percent of Total
Health & beauty aids, total	$20,177(e)	100.0%
Drug and proprietary stores	7,304	36.2
Drug stores	6,759	33.5
Proprietary stores	545	2.7
General merchandise group stores	6,235	30.9
Department stores	4,802	23.8
Food stores	5,206	25.8
Grocery stores	5,165	25.6
Apparel and accessory stores	364	1.8
Other retailers	1,069	5.3

(e) estimated

Source: Based on U.S. Bureau of the Census: 1982 Census of Retail Trade (RC-82-1-3)

Separate information on cosmetic sales was reported in the 1982 Census of Retail Trade for department stores and for drug stores only. The Census Bureau includes fragrances in this category.

Department Store & Drug Store Sales of Cosmetics, 1982
(Dollar sales in thousands)

	No. of Stores		Sales of Cosmetics		
				% of Total Store Sales of--	
	Total	Selling Cosmetics*	Total	Stores Selling Cosmetics	All Stores
Department stores	9,981	9,328	$3,848,865	4.0%	3.9%
Drug stores	46,661	33,913	2,180,555	7.4	6.2

* Includes face creams, makeup, perfumes, etc.

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade, Merchandise Line Sales (RC82-1-3)

Department Stores

Cosmetic counters in department stores are an integral part of their operation. The stores allocate space to the different vendors so as to maximize sales per square foot in the department. The salespeople at the counters are usually trained and paid by the vendor to work exclusively at promoting the manufacturers product lines. Vendors seeking additional footage in department stores try to entice the store with promises of increased advertising expenditures and promotional campaigns. A counter that is not generating sufficient revenue for the store risks losing its space in the department.

Department Stores (continued)

The National Retail Merchants Association compiles an annual report on merchandising and operating results by merchandise classifications in specialty stores (women's and family clothing stores) and department stores by total store sales volume groups. The following are median results based on actual dollar data submitted to the NRMA by cooperating companies.

Cosmetics, fragrances and toiletries sales in department stores registered a median gain of 10.3% in department stores with sales over $2 million in 1986. Median sales per square foot in the cosmetics, fragrances and toiletries departments were, $221, versus $129 per square foot for women's apparel. In department stores over $100 million in volume, net sales increased 11.8% in 1986 for the typical store.

Typical Merchandising & Operating Results of Cosmetics, Fragrances & Toiletries Departments, 1986

(Median results)

	Department Stores With	
	Sales Over $2 Million	Sales Over $100 Million
Number of reporting firms	47	27
Net sales, % change from last year	+ 10.3%	+ 11.8%
Sales, % of total store sales	6.2	7.1
Cumulative markon, %	40.2	39.9
Gross margin, % of sales (incl. cash discounts)	39.1	39.3
Markdowns, % of sales (incl. employee discounts)	1.6	0.8
Salespeople's salaries, % of sales	9.4	6.1
$ Sales per sq. ft. of selling space (main or largest selling unit)	$221.0	--
Number of stock turns (times)	2.1	2.4

Source: National Retail Merchants Association, Merchandising & Operating Results, 1986 (1987 edition)

Specialty Retailers

A recent trend of established retailers adding fragrances to their standard offerings is likely to continue. They have a built-in audience and the key ingredient-distribution, lessening the high cost of competition. A retailer who has created a niche in the market can probably create a demand for fragrances and cosmetics. A small counter display of fragrance or cosmetics takes up little space yet produces impressive sales. Fragrance gross margins, over 30%, are attractive.

Cosmetics and fragrances can produce as much as 10% to 12% of total store sales. For example, Benetton has introduced Color of Benetton fragrance and is planning its own line of cosmetics as well, according to Advertising Age. Industry watchers do not expect major department store retailers to enter the market. Bloomingdale's, Saks Fifth Avenue and Nieman-Marcus have had limited success with their own products in the past several years.

RETAIL SALES BY TYPE OF OUTLET

Grocery Stores, Drug Stores, Mass Merchants

Value of Total Domestic Consumption & Spending in Grocery Stores, 1985, 1986

(Dollar figures in thousands)

	Value at (grocery store prices) of Total Domestic Consumption*			Amount Spent in Grocery Stores		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Reported products, total	$11,037.3	$10,596.1	+ 4.2	$2,742.3	$2,623.6	+ 4.5
Cosmetics	4,599.6	4,406.3	+ 4.4	601.6	563.9	+ 6.7
Eye makeup products	2,472.9	2,385.6	+ 3.7	515.6	483.1	+ 6.7
Lipstick & Glosses	1,297.1	1,231.8	+ 5.3	44.1	42.1	+ 4.8
Makeup bases	677.7	649.2	+ 4.4	35.1	32.4	+ 8.3
Pressed cake powders/blush	151.9	139.7	+ 8.7	6.8	6.3	+ 9.0
Hair products	4,024.5	3,888.8	+ 3.5	1,580.4	1,534.5	+ 3.0
Coloring preparations	661.7	625.4	+ 5.8	94.7	90.5	+ 4.6
Cream rinses	149.5	149.2	+ 0.2	84.3	83.4	+ 0.9
Dandruff rinses	16.1	16.0	+ 0.8	5.9	5.8	+ 1.9
Men's hair dressings	136.3	136.8	- 0.4	68.4	67.9	+ 0.7
Shampoos	1,216.3	1,211.9	+ 0.4	761.7	751.1	+ 1.4
Other hair preparations, (incl. perm. wave kits)	945.4	891.3	+ 6.1	370.7	349.4	+ 6.1
Hair accessories (combs, barrettes)	899.1	858.0	+ 4.8	194.7	186.4	+ 4.5
Nail care products	527.7	507.1	+ 4.1	98.0	91.9	+ 6.7
Manicure implements	161.2	156.3	+ 3.1	43.5	41.4	+ 5.1
Nail polish enamel	311.5	297.3	+ 4.8	42.6	39.2	+ 8.9
Nail polish remover	55.0	53.5	+ 2.8	11.9	11.4	+ 4.7
Bath products	194.7	174.5	+11.5	43.6	37.5	+16.1
Bath salts/tablets/oils	122.0	106.0	+15.0	34.5	29.0	+18.8
Talcum, body powder	72.6	68.4	+ 6.1	9.1	8.5	+ 6.7
Skin care products	1,691.0	1,619.4	+ 4.4	418.7	395.8	+ 5.8
Face creams	709.6	704.7	+ 0.7	143.7	141.7	+ 1.3
Face lotions, astringents	116.6	115.8	+ 0.7	13.0	12.9	+ 0.8
Hand & body lotions	394.5	336.7	+ 7.6	158.9	147.0	+ 8.1
Hand creams	29.3	28.2	+ 4.0	7.4	7.1	+ 4.3
Lip protectors	37.0	35.0	+ 5.6	10.7	9.9	+ 8.8
Liquid facial cleansers	108.1	106.8	+ 1.2	30.6	30.1	+ 1.8
Suntan, sunscreen products	295.8	262.2	+12.8	54.3	47.0	+15.6

* Consumption covers total consumption, whether through purchases at retail stores or consumed in a beauty shop, institution, etc., valued at grocery store prices. These values, therefore, may generally exceed the value of over-the-counter retail sales of toilet goods.

Source: Supermarket Business: "40th Annual Consumer Expenditures Study" (September 1987)

RETAIL SALES BY TYPE OF OUTLET

Grocery Stores, Drug-Stores & Mass Merchants (continued)

A.C. Nielsen figures reveal the share of fragrances and cosmetics sold is growing the fastest in food stores. Food store's share jumped from 13% in 1986 to 18.7% last year; drugstores climbed slightly to 60.1%; discounter's share dipped from 24.4% to 21.2%.

The retailing sectors are beginning to blur, as women, caught in a time crunch, shop for cosmetics in food, drug and discount stores. Mass market companies are trying to emulate strategies more common to department stores, such as gift-with-purchase promotions. Both supermarkets and drug stores generally record far higher sales shares in cosmetics, toiletries and beauty aids than mass merchandisers. In 1986 drug stores recorded 61.0% of the after-shave market, 60.7% of cosmetics and 56.5% of face creams and lotions. Grocery stores held the highest share in mouthwash, shampoo and deodorants. Home wave kits were the best sellers in mass merchandisers, with hair color and hair fixatives, close second and third.

Beauty Aids Sales in Grocery Stores, Drug Stores & Mass Merchandisers
Percent Accounted for by Each Store Type, 1986

	Grocery Stores	Drug Stores	Mass Merchandisers
Mouthwash	52.5%	29.2%	18.3%
Shampoos	51.6	27.9	20.5
Deodorants	51.3	27.9	20.8
Shaving cream	47.6	31.9	20.5
Hair fixatives	45.6	29.7	24.7
Baby oil	45.5	30.3	24.2
Men's hair preparations	44.0	37.0	19.0
After-shampoo products	43.7	37.0	19.3
Mousse	39.9	36.5	23.6
Hand/body lotions	36.9	45.2	17.9
Bath oil	31.4	46.2	22.4
Suntan lotion/oils	27.8	51.8	20.4
Ethnic hair prepations	25.5	61.9	12.6
Face creams, lotions	24.9	56.5	18.6
Home wave kits	20.3	50.3	29.4
Hair color	18.7	53.9	27.4
After-shave lotions, colognes	16.5	61.0	22.5
Color cosmetics	17.9	60.7	21.4

Source: Nielson Review, 1987 (revised)

Monthly Consumer Sales Index*
(3-Year average monthly sales = 100)

	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec
Ethnic	72	91	92	99	93	108	111	109	105	109	111	100
Fragrances (Wom.)	44	50	55	70	83	78	93	96	102	120	136	283
Grooming Aids	91	90	95	99	99	98	100	112	106	106	99	107
Hair Care	99	98	98	98	101	100	98	102	103	103	102	97
Toiletries (Men)	73	82	88	92	99	112	97	106	107	106	106	135
Skin Care	100	98	97	99	114	117	111	97	87	88	97	95

*Supermarkets with annual volume of $4 million and over.

Source: Nielsen National ScanTrak

RETAIL SALES BY TYPE OF OUTLET

Discount Stores

Once viewed as just a traffic lure, the health and beauty aids department is gaining new respect, especially in discount stores. Discount stores are changing their merchandise mix in response to demographic needs. Cosmetics and toiletries are generally being treated as special categories with appeal to the more affluent shoppers.

Discount Store Sales of Toiletries, 1986
(In millions of dollars)

	Sales	% of Total
Total Toiletries	$2,939.4	100.0%
Shampoos	373.2	12.7
Deodorants	340.0	11.6
Dentifricis	231.8	7.9
Accessories	212.4	7.2
Conditioners & Rinses	212.4	7.2
Ethnic Hair Care	209.7	7.1
Sprays	154.7	5.3
Coloring Agents	153.6	5.2
Colognes & Toilet Water	139.2	4.7
Face Make-up	113.7	3.9
Face Creams & Lotions	113.1	3.8
Hand & Body Creams	111.5	3.8
After Shaves, Colognes	103.7	3.5
Eye Makeup	79.3	2.7
Lipsticks	68.8	2.3
Permanents	62.7	2.1
Shave Creams	55.5	1.9
Suntan Products	38.8	1.3
Nail Polishes, etc.	38.8	1.3
Treatment Items	36.6	1.2
Men's Hair Preparations	30.5	1.0
Perfumes	30.0	1.0
Talcum & Dusting Powder	20.5	0.7

Source: Discount Merchandiser, July 1987

Beauty Salons

Beauty salons are expected to show retail sales for toilet goods products of $1.4 billion for 1987, according to U.S. Industrial Outlook. Their potential as outlets is still far from being realized, and product promotion in salons has been underemphasized. Yet demand for hair and skin care products and services through salons has risen dramatically, spurred by maturing baby boomers.

RETAIL SALES BY METRO MARKETS

The Top 25 Metropolitan Markets Based on Sales of Health & Beauty Aids, 1984

	Metropolitan Area	Sales (Mil. $)	% of U.S. Total
1	Los Angeles/Long Beach, CA	$788.9	3.8%
2	New York, NY	745.5	3.6
3	Chicago*, IL	636.0	3.1
4	Boston/Lawrence/Salem, MA	584.6	2.8
5	Detroit, MI	492.6	2.4
6	Washington, DC	484.3	2.3
7	Philadelphia, PA	406.6	2.0
8	Atlanta, GA	321.5	1.5
9	Houston, TX	302.9	1.5
10	Nassau/Suffolk, NY	285.8	1.4
11	Anaheim/Santa Ana, CA	228.4	1.1
12	St. Louis, MO	225.1	1.1
13	Miami/Hialeah, FL	214.3	1.0
14	Phoenix, AR	203.7	1.0
15	Dallas, TX	198.9	1.0
16	Minneapolis/St. Paul, MN	198.0	1.0
17	Cleveland, OH	194.1	0.9
18	San Diego, CA	182.9	0.9
19	Pittsburgh, PA	182.1	0.9
20	Oakland, CA	165.3	0.8
21	Newark, NJ	164.6	0.8
22	Bergen/Passaic, NJ	156.7	0.8
23	Riverside/San Bernardino, CA	154.0	0.7
24	San Francisco, CA	150.4	0.7
25	Kansas City, MO	149.7	0.7
	25 Metropolitan areas, total	$ 7,816.9	37.6%
	U.S. total	$20,801.5	100.0%

* The high-ranking status of Chicago is due, in part, to the catalog headquarter operations of Sears, Roebuck & Co.

Note: Sales & Marketing Management's definition of health & beauty aids includes health aids, cosmetics and other hygiene needs.

Source: Based on Sales & Marketing Management,
"Survey of Buying Power", 1985
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RETAIL ADVERTISING

Percent of Year's Total Newspaper Retail Advertising Linage On Cosmetics Each Month

Total Cosmetics	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
100.0%	3.1	10.2	9.8	8.2	10.0	5.0	4.7	8.4	9.1	9.7	8.2	13.6

Source: Advertising Checking Bureau, Inc. 1986

CONSUMER PRICES

The overall level of consumer prices for toilet goods and personal care appliances, as measured in the Consumer Price Index, gained 2.9% in 1987, slightly less than the 3.3% rise in the price index for these goods from 1985 to 1986.

Cosmetics, bath and nail preparations, etc., registered a 2.4% gain in price levels at retail in 1987 compared with 1986.

Consumer Price Index For Toiletries & Cosmetics, 1985-1987
(1982-1984 = 100, unless otherwise noted)

	Annual Averages		% Change
	1987	1986	1987/86
All items	113.6	109.6	+ 3.6%
Personal care	115.1	119.9	+ 2.9
Toilet goods & personal care appliances	113.9	111.3	+ 2.3
Cosmetics, bath & nail preparations, manicure & eye makeup implements	114.6	111.9	+ 2.4
Other, including hair & dental products & small personal care appliances	113.6	111.0	+ 2.3

Source: U.S. Bureau of Labor Statistics:
CPI Detailed Report, January 1987

THE POTENTIAL MARKET/BUYING PATTERNS

The predominant characteristic in the nation's changing population mix is the aging of the baby boomers. In 1981, the total population age 18 to 24 years, traditionally the heaviest and most experimental makeup users, was at an all-time high of 30.4 million. This segment has been declining ever since and will drop to an estimated total of only 24.1 million by 1994. The population age 18 to 24 will not start to increase again until 1997, when the baby-boomers' children mature.

The Mature Woman

The cosmetics industry is adapting to the changing demographics by marketing a greater variety of products designed to lessen the aging process. Consumers are turning more toward moisturizing bath products and makeups, improved sun protectants, and therapeutic brands using a scientific anti-aging process such as Estee Lauder's Prescriptives and L'Oreal's Biotherm.

Products specifically developed to attract the over-50 age group are targeted for a growing and increasingly affluent segment of the population. One in four Americans, or almost 63 million, is age 50 or older. By the year 2000, the 50-plus population will grow by 25%, triple the growth of the under 50 segment. Mature adults currently have 42% of the nation's disposable income, and half the discretionary income, controlling 77% of the nation's financial assets. In addition the average per-capita income of the mature market is $1,200 above the national average of $9,300.

The Mature Woman (continued)

Fifty-plus consumers today are busier, healthier and more mobile than any previous generation of consumers. They perceive themselves as 6 to 10 years younger than their chronological age, and think of "old" as beginning at 75. They can be fiercely loyal to products, services and companies, according to Donnelly Marketing.

Simmon's 1986 Study of Media and Markets examined purchasing patterns of women 50 plus in comparison with the rest of the population. Older women are 16% more likely than all women to be heavy users (five or more times per week) of bath and shower additives. Women age 55 to 64 are 23% more likely to be heavy users. Fifty plus women are 13% more likely to be heavy users (8 or more times per week) of loose face powder. In general older women are average users of lipstick and lip gloss--and 12% more likely to be medium users (2 to 3 times daily). They are only medium users of facial moisturizers, averaging one use daily, and are less inclined to use foundation. They show low usage of blusher, mascara, eyeliner, and eye shadow. Women age 55 to 64 are 23% less likely to use perfume, and slightly more likely to be light users.

Usage of Cosmetic and Toiletry Items By All Women Versus Women Age 50 & Over

	Percent Using	
	All Women	Women 50 Plus
Perfume, Cologne & Toilet Water	84.1%	79.8%
Cologne	60.1	61.2
Perfume	49.1	37.6
Facial Moisturizer	57.1	53.4
Lipstick, Lip Gloss	78.1	79.3
Nail Polish	61.7	51.5
Eye Shadow	55.9	34.1
Mascara	58.2	33.6
Eyeliner	42.0	22.1
Hand & Body Cream, Lotion or Oil	85.8	83.7
Hair Spray	56.9	58.4
Hair Coloring Products	23.5	25.7

Source: 1986 Study of Media and Markets
Simmons Market Research Bureau

Ethnic Markets

Black consumers represent the fastest-growing segment of the personal products market. The black population will grow to 31 million in 1990, wielding $200 billion in purchasing power, according to American Health & Beauty Aids Institute (AHBAI). Sales of all toiletries and cosmetics to black consumers topped $2.7 billion in 1986, with hair-care preparations making up approximately 40% of those sales, according to Business Trends Analysts. Health and beauty aid purchases are expected to grow to $3 billion in 1987. Growth in dollar volume of ethnic personal care products has averaged in excess of 12% during the past five years. Nielsen figures for mass merchandisers show the long-term trend is for black hair products to consistently outperform H&BA in general.

Ethnic Markets (continued)

As the black woman enters the work force in higher positions and greater number, as her income rises (in 1986, 21.1% of black families in the U.S. had incomes above $35,000, 8.8% had more than $50,000), so does her demand for high quality products, packaging, and shades.

Increased brand awareness, product-line extensions, rising demand due to demographic shifts and the development of more extensive distribution networks will help to underwrite continued growth. Blacks spend three to five times more on personal care products than the average white consumer, according to the AHBAI. The AHBAI recently launched a $2 million campaign encouraging black consumers to buy black-manufactured beauty aids, as general market companies account for 50% of the ethnic hair care market.

Discounters more than doubled ethnic hair care market share between 1986 and 1987, according to the AHBAI. According to C.H. Kline, the category totaled $340 million in 1987. Drugstores continue to command well over half the market in ethnic hair preparations--at roughly 70% of the market, ethnic hair care is the single highest volume ethnic health & beauty aids product. Sales increases of just under 10% in 1986 were down considerably from increases that topped 50% in 1981. A major shift in black women's hairstyles, from a curlier look to straighter, easier to manage hair began around 1985 and continues today. The rising popularity of low maintenance straight hair styles is making it difficult for manufacturers to sustain, much less increase, 1987 sales volume. With the trend towards softer hairstyles, relaxers showed the most growth--more than 10%, versus 3% for the category as a whole. Although the growth in 1987 was primarily from relaxers, hair grooming aids comprise the largest segment of the category. Market share is shrinking in terms of dollars because most of today's styles don't require maintenance and relaxer products. A vendor battle for market share will spur ethnic health and beauty aids manufacturers to cut prices, develop innovative new products, launch new promotions and increase co-op advertising expenditures during 1988.

There are 18.9 billion Hispanics in the U.S. making up five billion households, and this population will grow at the rate of 3% a year through 1990. By the year 2,000, its likely that consumers with Spanish surnames will be the largest single ethnic group, comprising 12% of the population, according to the Bureau of the Census. The hispanic market's aggregate household income, although starting at a lower base, is growing at a faster rate than that of whites or blacks. These consumers represented an estimated $123.4 billion in purchasing power in 1987, which will grow to $172 billion in 1990, according to Strategy Research Corp. They remain, however, a difficult target group to reach as they are by no means a homogenous group of individuals.

A study of the hispanic market conducted by Yankelovich, Skelly and White (YSW) determined that nearly 80% of Hispanics pay more attention to how long a product lasts in relation to its price; that compares to 65% of the total U.S. population. An overwhelming 82% said once they select a brand, they are not likely to switch. That compares to 63% of the total U.S. population. Other surveys have noted that because of brand loyalty, coupon usage is considerably lower for Hispanics (44%) than the U.S. average (76%).

Ethnic Markets (continued)

Hispanic consumers prefer name brands and designer fragrances. Many Hispanics who are not proficient in English rely heavily on the color and package of the cosmetic or fragrance to determine what product they use, according to Product Marketing. The New York Market Product Use Study, conducted by Research Resources concluded that usage of cosmetics and fragrance in the Hispanic market is generally higher compared to the non-Hispanic segment, according to the surveyed female heads of households over 18 years of age. Eye beauty products, facial make-up, facial moisturizers and lip care products are purchased by 70% to 85% of the Hispanic population, compared to only 60-70% of the Anglos.

According to the survey, 27% of New York Hispanics shop drugstores, 24% buy HBA in the supermarket; 23% rely on the health and beauty aids stores, and 14% shopped in mass merchandiser department stores. That compared to Anglos who shopped drugstores (41%); supermarkets (31%); HBA stores (11%); and mass merchandiser/department stores (13%).

Women in General

In August 1985, Self magazine surveyed a cross-section sample of 1,186 women in the U.S. ages 18 to 65, in their "National Study of Women; Beauty Product Purchasing Habits and Attitudes." The study concludes that income has little relevance to beauty product selection; women will spend their means for perceived benefits: over 49% say that they will pay more if the product works for them. Most consumers do not equate price with effectiveness; less than 5% agreed strongly that the more you spend on beauty products the better you look. Most women (56%) feel that cosmetics are overpriced, and almost 60% of the women surveyed would greatly prefer to save money rather than get something that they didn't specifically want (such as a gift with purchase). The young, single working woman leads in dollars spent.

According to Self magazine's survey, cosmetics consumers are far more color loyal than brand loyal. Style and fashion is not very important: 85% state that they buy shades they like, not what's "in". The 25 to 34 age group leads the percent of brand changers. Over 43% of all consumers of cosmetics frequently mix products of different manufacturers, but over one-third agree strongly that it is easier to buy products in the same line. Advice from friends is more likely to be followed if the friend is a man: almost 40% of women surveyed would stop using specific makeup if the man in their life disliked it.

A higher percentage of single than unmarried women use skin cream products and fragrances, but more married women use cosmetics than singles. Single women are above-average drugstore and department-store shoppers. Married women, on the other hand, are above average in buying direct or from discounters. Single women are greater experimenters, but a bit more brand-loyal in an industry with little brand-loyalty.

POTENTIAL MARKETS/BUYING PATTERNS

Projected Beauty Product Usage, Women Age 18 to 65
(In a 4-Week Period)

	Percent Used Product
Skin Care	96.2%
Hand Lotions	74.5
Deodorants	69.9
Facial Moisturizers	56.7
Body Moisturizers/Lotions	56.7
Anti-Perspirants	55.2
Cleansing Lotions	37.7
Lip Protector	28.8
Toner\Astringent	27.9
Complexion Bar	22.1
Facial Mask	21.1
Cleansing Grains/Scrubs	18.9
Eye Cream	14.8
Lip Repair Cream	10.1
Cellular-Renewal/Repair	9.5
Neck Cream	7.5
Cosmetics	89.0
Lip Color (Stick)	66.9
Mascara	65.3
Blusher	65.0
Eye Shadow	61.9
Nail Polish/Enamel	54.4
Foundation	52.2
Eyeliner	40.1
Face Powder	37.4
Eyebrow Pencil	33.6
Nail Care Products	29.5
Lip Gloss	26.7
Hair Care Products	96.2
Shampoo-Regular	88.5
Conditioner	59.9
Spray	48.7
Styling Mousse	33.2
Creme Rinse	31.9
Color	18.0
Styling Gel/Lotion	16.8
Shampoo - Medicated	16.0
Home Permanent	9.3
Highlighter	3.8
Henna Rinse	2.8
Fragrances	89.2
Cologne	60.7
Perfume	55.3
Eau de Toilette	8.6
Scented Dusting Powder/Talc	44.5
Bath Oil	17.5
After-Bath Splash	12.6

Source: Mark Clements Research & NFO,
Self Magazine: 1986 Beauty Study

POTENTIAL MARKETS/BUYING PATTERNS

Women in General (continued)

Perfume usage is inversely proportionate to income. Lower income women are more inclined to "splurge" on perfume, while upper-income women are more likely to receive perfume as a gift. The higher the income, the less a woman is likely to be influenced by what is "in". Experimenters with style and color tend to be the lower-income and middle-income consumers, reports the Self survey. Affluent household spent over $3 billion on cosmetics and fragrances in 1987; this according to a survey by Mendelsohn Media Research of households with incomes over $50,000.

Other Self Magazine Survey findings:

Women who work full-time understandably use more cosmetics overall, but part-time workers (who tend to be older) use far more lipstick. Non-working women are influenced more by the man in their lives; workers, more by their favorite magazines. Women who work part-time are closer to homemakers in their purchasing of and attitudes toward beauty products than they are to women who work full-time.

The 18 to 24 year olds are the biggest users of makeup, and a higher percentage of this age group are heavy users. They prefer lip gloss to lipstick and are by far the leading users of nail enamel. They lead in percentage of regular-shampoo and hair conditioner users, and 50% agree stongly that hair is the most important part of their appearance. Perfume is heavily favored over cologne, and they alternate scents depending on their mood. They demonstrate the least resistance to price of any other group and tend to consider a man's opinion more than others. This age group favors department stores because they like to shop for cosmetics, experimenting at beauty counters. They demonstrate a greater affinity for department-store brand promotion techniques (gift with purchases).

Point of Purchase
Of Beauty Products By Women Age 18 to 65

	Cosmetics	Fragrances	Skin Care	Hair Care
Drugstore	39.5	28.6	40.2	43.6
Department Store	41.9	56.2	34.5	25.7
Supermarket	16.6	6.0	25.9	44.9
Direct (Avon, Mary Kay)	21.6	15.3	19.6	5.5
Discount Store	6.3	3.5	6.5	8.9
Mail Order	1.3	1.2	1.1	na
Beauty Salon	na	na	na	5.9
Other	5.1	4.1	5.1	5.1

na not available

Source: Mark Clements Research & NFO,
Self Magazine: 1986 Beauty Study

Women in General (continued)

Overall the backbone of the beauty industry is the 25-34 year old, the age when most women establish both brand loyalties and style preference. There is a sharp increase in the use of hand and facial products. Women begin to feel concern regarding the effects of the aging process. Over 60% of women in this age group, a higher percentage than any other group, feel strongly that if a skin care product works, cost is irrelevant. Overall usage of hair care products is higher than any other age group. Almost 50% say the don't have as much time to shop for makeup as they once had, and increases in drugstore and supermarket purchases were noted. Color loyalty is strong and enduring.

The 35 to 49 year old group seems to have lost faith in moisturizers as an aid to defering the aging process of skin. They feel, however, more strongly than any other group that moisturizers soften skin. They have faith in scientific claims for skin treatment products and will spend more for a product that works for them. Women 35 to 49 use more lipstick than any age group. At this age, however, age all kinds of eye makeup usage drops precipitously. At age 35, hair color usage rises substantially along with creme rinse and highlighted usage. These women feel that hair spray looks unnatural in greater percentages than other women, but they haven't turned to mousses and gels quite as readily as their younger counterparts

The Self study also noted that the fitness boom and exercising focuses a woman's attention more upon her total looks.

Women Age 18 to 65
Cause of Increased Self-Care Activities

Self Esteem	64.7%
Job Promotion/Job Change	22.9
Desire to Please Others	19.4
Major Life Change (Marriage/Divorce/Separation)	17.0
More Media Coverage on Self Care	5.7

Primary Sources of Beauty Information

Magazines	66.9%
Friends or Relatives	47.1
Advertising	38.6
Television	33.0
Package Labels	28.9
In-Store Displays	28.8
Store Counter Consultants	22.6
Cosmeticians	21.9
Books on Beauty	16.6
Newspapers	9.9
Radio	4.9

Source: Mark Clements Research and NFO,
Self Magazine: 1986 Beauty Study

POTENTIAL MARKETS/BUYING PATTERNS

Teens

The purchasing power of America's 26 million teens is significant; and, since most girls are introduced to beauty products for the first time during these years, they can be influenced to become loyal customers. Girls age 16 to 19 spend 28% of their discretionary income on beauty products, according to *Product Marketing*. In 1985 teen expenditures for beauty products exceeded $3.7 billion, according to *Rand Youth Poll*. Department stores have captured 26% of teen sales, but they make 42% of their purchases in drugstores.

Seventeen Magazine conducted a survey of 1,089 members of their consumer panel on use of cosmetics in 1986. Findings are balanced by age and geographic area to Census data to reflect all girls 13-19 in the U.S. The study concludes that eye makeup, followed by blusher, nail polish and chapped lip balms are the most often used products among teen girls. Compared to a year ago, over half are using more eye color/liner and lipstick. Between 55% and 87% of the users of cosmetics (except for nail care products) use them at least once a day. The price paid for cosmetic products ranges between $3 and $5 on the average. Drugstores followed by department stores are where teen girls prefer to purchase their cosmetic products.

Usage of Cosmetics by Teen Girls, Age 13-19

	Percent Using Product		Percent Using Product
Eye Make-Up	97.2%	Lip Gloss	70.3
Blusher	92.7	Spot Cover-Up	62.8
Nail Polish	90.8	Eye Makeup Remover	56.6
Chapped Lip Balm	90.8	Nail Strengthener/Hardener	53.0
Nail Polish Remover	86.3	Flavored Lip Gloss	47.5
Lipstick	83.7	Contour Shadow	27.8
Face Powder	71.9	Highlighter/Gleamer	17.6
Foundation	70.7		

Teen Users of Cosmetics Frequency of Purchases
(Of Girls Using Each Product)

	More Than Once A Month	Once A Month	Every Two Months	Every Three Months	Every Four-Six Months	Every Seven-Twelve Months	Once A Year Or Less Often
Blusher	4.8%	8.4%	18.1%	18.7%	26.9%	15.4%	7.7%
Mascara	6.4	14.8	22.9	20.7	22.3	8.4	4.5
Eye Shadow	5.8	15.5	19.0	19.2	20.2	14.1	6.2
Eye Colorer/Liner	6.6	13.5	21.7	19.6	21.6	10.0	7.0
Eyebrow Coloring	1.8	5.3	15.1	10.2	26.5	20.4	20.7
Face Powder	5.9	11.7	22.1	22.3	18.7	11.0	8.3
Foundation	4.5	14.0	22.0	17.9	21.0	12.1	8.5

(continued)

POTENTIAL MARKETS/BUYING PATTERNS

Teens

Teen Users of Cosmetics Frequency of Purchases

(Of Girls Using Each Product)
(continued)

	More Than Once A Month	Once A Month	Every Two Months	Every Three Months	Every Four-Six Months	Every Seven-Twelve Months	Once A Year Or Less Often
Lipstick	8.8	24.5	19.1	18.0	15.1	9.2	5.3
Lip Gloss	11.7	18.7	13.9	16.5	20.0	10.6	8.6
Spot Cover-Up	4.2	10.4	16.8	20.2	22.0	11.9	14.5
Highlighter/Gleamer	5.6	8.7	15.6	16.6	22.4	11.7	19.4
Contour Shadow	5.8	6.3	19.2	22.1	17.9	14.1	14.6
Nail Polish/Brush	12.4	16.3	19.7	15.4	17.4	10.9	7.9
Nail Polish (Pen)	8.4	7.4	19.5	12.5	14.8	17.3	20.1
Strength/Hardener	6.7	11.8	13.8	20.9	17.7	13.4	15.7

Source for above two tables: Seventeen: Cosmetic Survey, 1986

Place of Purchase By Teen Users of Cosmetics*

(Of Girls Using Each Product)

	Dept. Store	Drug Store	Disc. Store	Super-Market	Other**
Blusher	35.2%	42.0%	15.0%	13.5%	29.5%
Mascara	26.8	49.0	17.4	16.8	27.7
Eye Shadow	35.3	51.0	19.4	14.9	31.0
Eye Colorer/Liner	33.0	49.3	17.0	13.8	32.1
Eyebrow Coloring	30.1	46.3	16.5	9.7	43.6
Face Powder	31.7	45.6	17.8	14.1	28.7
Foundation	36.0	42.7	14.3	13.0	28.3
Lipstick	36.4	51.0	18.8	14.7	36.8
Lip Gloss	25.7	53.1	16.2	14.5	36.3
Spot Cover-Up	27.4	49.5	18.5	12.2	23.3
Highlighter/Gleamer	27.2	35.7	19.2	7.9	39.6
Contour Shadow	28.7	44.7	19.5	10.8	30.3
Nail Polish/Brush	27.2	61.0	21.5	20.1	36.4
Nail Polish (Pen)	21.0	57.3	21.0	18.8	27.4
Strength/Hardener	21.4	53.6	20.9	15.4	31.7

* Percentages in each row add to more than 100% due to multiple mentions
** Includes beauty salons, variety stores, door to door sales and others

Source: Seventeen: Cosmetic Survey, 1986

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available 1986.)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers the market for products designed for the active sports participant, as well as athleisure activities and active apparel. Covers growth trends in specific sports and related products, including footwear and apparel, and developments in the fitness market.

SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible. (Latest edition available 1985).

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

TOILETRIES, COSMETICS, FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry statitistics, at the manufacturing and retail levels. The quantity and value of manufacturers' shipments, leading manufacturers, advertising expenditures are covered, as well as information on retail sales by product, consumer buying habits and price trends.

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR, RAINWEAR, AND FURS: Data for the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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Home Textiles
&
Related Products

FAIRCHILD FACT FILE

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HOME TEXTILES

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HOME TEXTILES & RELATED PRODUCTS

Market Trends

Concentration of manufacturing in the home textiles industry, which resulted in the consolidation of six major mills into three megamills in 1985-1986 has continued. In 1988, a partnership formed by WestPoint Pepperell (which had held the 4th largest share of the U.S. sheet market) and the NTC Group acquired the largest U.S. sheet producer, J.P. Stevens, again changing the lineup of major suppliers.

Shipments of major types of home textiles by U.S. mills registered a modest gain in 1987 compared with 1986, with the factory value of sheets up 7.5% and units up 1.1%. The value of shipments of finished terry towels rose 7.5% with a 1.0% gain in units. Shipments of curtains and draperies were reported to be up 5% in value.

HFD, The Weekly Home Furnishings Newspaper, reported over-the-counter retail sales of home textiles and window treatments (not including area rugs and broadloom) totaled $12.7 billion in 1987, up 9.4% over the comparable 1986 total of $11.6 billion. Gains were reported both in fashion-forward and commodity products.

Changes in ownership at the mill level, as well as among large retailers, are making both retailers and manufacturers cautious in their outlook for business in 1988, according to trade sources. In the first quarter of 1988 compared with the same 1987 period, the Census Bureau reported the value of shipments of sheets (not including crib) rose 3% but units were down 4.6%. Pillowcase shipments declined 0.4% in value; 6% in units; terry towels were up 7.8% in value, 8.8% in quantity. A slowdown in growth in home textiles markets is expected, according to a report by Fiber Industries, which projects an annual growth rate of less than 1% over the next five years.

Market demand is strongest in upgraded, coordinated lines and ensembles. In response to demand, mills are stepping up the variety of coordinated textile products as well as offering a variety of accessory items and nontextile items, either produced by the mills or in cooperation with other manufacturers. For example, Springs is building a new facility for comforters and accessories as part of their commitment to the total bedroom ensemble. Cannon has introduced vinyl coated wall paper borders coordinated with sheet sets. Upgrading of ensembles is a dominant trend, as well as coordination in packaging as well as design, and cross merchandising.

Licensing has created instant cross-merchandising capabilities for retailers, and also enabled manufacturers' to fill voids in their assortments and to target niche markets. Among the most successful and well-know licenses are Laura Ashley and Ralph Lauren, both used by J.P. Stevens for domestics. Stevens also licenses Collier Campbell, Eileen West, Manual Canovas and John Baudrand in its department store line and Gloria Vanderbilt and Pierre Cardin for the mass market. Fieldcrest's licenses include Stately Homes, J.G. Hook, Alexander Julian and Howard Kaplan, while Cannon licenses include Versailles, Katja, Jay Spector, and Beatrix Potter's Peter Rabbit. The Bibb Co. targets the juvenile market with novelty licenses, such as Snoopy; Dundee has the Disney Babies collection, and other licenses are being used to target specific segments of the market.

Market Trends (continued)

The upscale market is the focal point of Springmaid's Bill Blass license. Fashionable, trend-setting designs are key in WestPoint Pepperell's licenses, which include Espirit, Liberty of London, Givenchy and Perry Ellis. Wamsutta, known for its in-house studio designs, also has built a successful franchise with its licensed Christian Dior collection.

Other home textile manufacturers are offering designer collections. In the curtain and drapery industry, for example, Cameo recently signed an agreement with Paolo Gucci to produce bedroom ensembles. Other curtain and drapery manufacturers feature licenses to take advantage of consumer interest in a particular strong trend. In table linens, manufacturers are offering patterns to coordinate with china and dinnerwear. Novelties play a role in table linens, especially vinyl products, and Disney is well received in this, as well as in shower curtains and bath products.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturers in the U.S. with one or more paid employees is compiled by the U.S. Department of Commerce, Bureau of the Census, every five years. The latest census covers 1982 results. In intercensal years the Census Bureau conducts a survey among a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity.

The following table covers results reported for manufacturing plants classified in the Home Textiles, Curtain & Draperies and Blind/Shade Industries, as defined by SIC codes, and based on the plants' or mills' primary product.

Total shipments of plants classified in the Home Textiles, n.e.c. Industry amounted to $4.0 billion in 1986, up 2.1% compared with 1985. Industry shipments by plants in the Curtains & Draperies Industry amounted to about $1.5 billion, up 11% over the previous year. Reflecting consumer demand, the best results were in alternative window coverings. Plants classified in the Drapery hardware, Blinds & Shades Industry registered a 6.6% gain in value of industry shipments, which reached a total of close to $1.6 billion in 1986.

Home Textiles, n.e.c.
(SIC 2392*)

	1986	1985	1984	1982	% Change 1986/82
Number of companies	na	na	na	882	--
Number of establishments	na	892**	886**	958	--
Number with 20 or more employees	na	373**	398**	399	--
Employees, total (thous.)	48.5	47.5	46.8	49.3	+ 1.6%
Production workers (thous.)	39.8	39.3	38.7	39.8	-0-
Payroll (mil. $)	$649.6	612.2	588.4	518.2	+25.4
Value added by manufacture (mil. $)#	1,412.0	1,405.2	1,371.5	1,249.0	+13.0
Value of industry shipments (mil.$)##	4,035.7	3,951.4	3,800.0	3,262.2	+23.7
Capital expenditures, new (mil. $)	43.5	38.7	57.7	38.8	+12.1

GENERAL INDUSTRY STATISTICS

Curtains & Draperies
(SIC 2391*)

	1986	1985	1984	1982	% Change 1986/82
Number of companies	na	na	na	1,327	--
Number of establishments	na	1,284**	1,271**	1,371	--
Number with 20 or more employees	na	252**	398**	254	--
Employees, total (thous.)	27.8	25.6	25.2	24.1	+15.4%
Production workers (thous.)	22.6	20.5	21.0	19.7	+14.7
Payroll (mil. $)	$323.5	300.3	272.4	233.7	+38.4
Value added by manufacture (mil. $)#	685.6	589.1	562.0	442.1	+55.1
Value of industry shipments (mil.$)##	1,530.7	1,379.0	1,282.7	1,062.0	+44.1
Capital expenditures, new (mil. $)	10.4	6.8	7.5	6.3	+65.1

Drapery Hardware, Blinds & Shades
(SIC 2591*)

	1986	1985	1984	1982	% Change 1986/82
Number of companies	na	na	na	404	--
Number of establishments	na	414**	420**	435	--
Number with 20 or more employees	na	140**	130**	127	--
Employees, total (thous.)	18.2	18.4	17.7	15.7	+15.9%
Production workers (thous.)	13.7	14.2	13.5	11.7	+17.1
Payroll (mil. $)	$ 296.2	294.9	174.2	223.7	+32.4
Value added by manufacture (mil. $)#	748.5	692.3	660.8	556.6	+34.5
Value of industry shipments (mil. $)##	1,570.6	1,473.6	1,354.2	1,114.4	+40.9
Capital expenditures, new (mil. $)	15.9	26.1	35.1	31.3	-49.2

n.e.c. not elsewhere classified
na not available

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made in reported establishments (plants), as shown below:

SIC 2391 covers establishments with paid employees primarily engaged in manufacturing curtains and draperies from purchased materials. Manufacturers of lace curtains made on lace machines are not included.

SIC 2392 (officially designated "House Furnishings, n.e.c.") covers establishments with paid employees primarily engaged in manufacturing home textiles from purchased materials, including towels, sheets, blankets, comforters, bedspreads, pillowcases, pads; also slip covers, tablecloths (fabric and plastic), pillows, mops, garment bags, etc. Floor covering mills are not included. Weaving mills which also produce finished home textile products (sheets, tufted bath mats, blankets, etc.,) are not included in this industry, nor are electric blankets (made in electric housewares industry). (Information on these products is, however, included in the section on PRODUCT SHIPMENTS.)

(footnotes continued)

GENERAL INDUSTRY STATISTICS

SIC 2591 covers establishments with paid employees primarily engaged in manufacturing curtain and drapery rods, poles and fixtures, venetian blinds and other window blinds and sahdes, regardless of the materials used, except canvas shades and awnings.

** County Business Patterns, U.S. Bureau of the Census. (Each business location (plant) is separately counted as an "establishment".)

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished product inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made by manufacturers in these industries. The value of primary products alone of these industries, plus the value of shipments of home textiles or curtains, and draperies by manufacturers classified in other industries, is covered in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census, Census of Manufactures, 1982; Annual Survey of Manufactures, 1984, 1985, 1986

Employment & Earnings

Employment in the U.S. mills and plants manufacturing home textiles picked up in 1987 following flat results in 1986 compared with 1985. In the curtain and drapery industry, employment levels averaged 4.7% over 1986; in other home textile plants, the employment level in 1987 averaged 5.8% over the 1986 average.

Compared with the 1982 average, employment in both segments of the industry rose better than 12%. (Employment figures compiled by the Census Bureau may not match those reported below, which are compiled by the Bureau of Labor Statistics, due to some differences in the methodology used in the compilations.)

Production worker employment in the curtain and drapery industry was up 5.3% over the 1986 average and almost 12% above the 1982 level, according to the BLS. Comparable gains in production worker employment in the manufacture of other home textiles were 5.6% and 15.1%, respectively.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Employment & Earnings in Home Textiles Manufacturing: 1982, 1985-1987

	Annual Averages				% Change	
	1987	1986(r)	1985	1982	87/86	87/82
Home textiles, n.e.c.(SIC 2392)						
All employees (thous.)	52.9	50.0	50.0	47.1	+ 5.8	+12.3
Production workers (thous.)	44.9	42.5	42.7	39.0	+ 5.6	+15.1
Avg. weekly earnings	$238.51	$230.06	$223.85	$195.14	+ 3.7	+22.2
Avg. hourly earnings	6.10	5.96	5.86	5.10	+ 2.3	+17.5
Avg. weekly hours	39.1	38.6	38.2	37.6	+ 1.3	+ 4.0
Curtains & draperies (SIC 2391)						
All employees (thous.)	26.9	25.7	25.6	24.0	+ 4.7%	+12.1%
Production workers (thous.)	21.8	20.7	20.7	19.5	+ 5.3	+11.8
Avg. weekly earnings	$214.85	$209.25	$202.45	$162.75	+ 2.7	+32.0
Avg. hourly earnings	5.76	5.58	5.37	4.65	+ 3.2	+23.9
Avg. weekly hours	37.3	37.5	37.7	35.0	- 0.5	+ 6.6

(p) preliminary
(r) revised
n.e.c. not elsewhere classified

(See page 3 for SIC definitions; SIC 2591 is not separately covered in published BLS reports.)

Source: Bureau of Labor Statistics:
Employment & Earnings

As of March 1988, employment in home textile plants classified in SIC 2392 averaged 53.8 thousand. This was 5.7% over the 50.9 thousand averaged in the same month a year ago. The pickup in employment was less in the curtain and drapery industry--the total averaging 26.8 thousand in March 1988 vs. 26.6 thousand a year ago.

Information on plants in terms of employment size is compiled annually by the Census Bureau and published in the County Business Patterns reports. While most plants are small, with fewer than 20 employees, particularly in the manufacture of curtains and draperies, those with upwards of 100 employees represent a major portion of industry employment, and of industry shipments.

Employment & Earnings (continued)

Distribution of Plants Manufacturing Home Textiles & Related Products By Employment Size: 1985

Industry & Employment Size:	Plants		Employment (mid-March)	
	No.	%	No.	%
Home textiles, n.e.c.	892	100.0	45,464	100.0
Under 20	519	58.2	3,396	7.5
20 - 99	249	27.9	11,790	25.9
100 - 499	118	13.2	25,148	55.3
500 or more	7	0.8	5,130	11.3
Curtains & draperies	1,284	100.0	26,097	100.0
Under 20	1,032	80.4	5,336	20.4
20 - 99	207	16.1	8,802	33.7
100 - 499	39	3.0	8,161	31.3
500 or more	6	0.5	3,798	14.6
Drapery hardware, blinds, shades	414	100.0	19,077	100.0
Under 5	148	35.7	(D)	--
5 - 19	126	30.4	1,286	6.7
20 - 99	96	23.2	4,030	21.1
100 - 249	27	6.5	3,934	20.6
250 - 499	9	2.2	3,535	18.5
500 - 999	6	1.4	3,804	19.9
1,000 or more	2	0.5	(D)	(D)

(D) Withheld to avoid disclosure of individual operations.

Source: U.S. Bureau of the Census:
County Business Patterns 1985 (U.S.)

Sales and Marketing Management Magazine conducts an annual survey on Industrial & Commercial Buying Power, which appears in the April issues of the publication. According to the latest study, covering 1987, plants with 100 or more employees producing curtains and draperies accounted for 59% of industry shipments; in the home textiles industry, plants of this size held a 67% share of industry volume; in the drapery hardware, blinds, shades industry, large plants held a 66% share. (Information on industry consolidations and market shares will be found in the PRODUCT SHIPMENTS section of this Fact File.)

GENERAL INDUSTRY STATISTICS

Location of the Industry

The latest detailed information on U.S. manufactures by state are reported in the 1982 Census of Manufactures. North Carolina and New York State are leaders in the production of home textiles, with California and Massachusetts also playing an important part in the production of curtains and draperies. In hardware, California and Texas were leading States in 1982.

PRODUCTION

Quarterly and annual reports on produciton of sheets and terry towels by U.S. manufacturers are issued by the Census Bureau. As noted in the summary table below, the 1987 level of output in sheets lagged behind peak years, but in sheets other than crib there was a gain compared with 1986.

Production of flat sheets went up 1.0% compared with 1986 but was 15.6% below the peak of 10.3 million dozen reported in 1978. Fitted sheet production in 1987 was up 4.1% over 1986, but about 11.5% below the peak of almost 7 million dozen reported in 1976.

Production of crib sheets has fluctuated considerably in recent years. The 1987 total was 5% below 1986, and marked a lowpoint in a 13-year span. Pillowcase production last year managed a 2.1% increase over 1986, but was 16.6% below the over-15 million dozen produced in 1984.

Terry towel output was strong last year, reaching over 52 million dozen and gaining 4.5% over 1986. This was a new peak for the industry.

Summary of Production of Sheets, Pillowcases & Terry Towels: 1975-1987
Thousands of dozens)

	Sheets				
Year	Crib	Flat	Fitted	Pillowcases	Terry Towels
1987	494	8,698	6,169	12,627	52,425
1986	520	8,610	5,923	12,312	50,182
1985	543	8,925	6,023	13,174	44,974
1984	653	10,149	6,324	15,147	46,954
1983	824	10,232	6,739	14,950	49,742
1982	642	8,937	5,908	12,382	41,117
1981	641	10,102	6,669	14,441	44,931
1980	694	9,932	6,599	14,694	43,957
1979	695	9,770	6,102	14,257	47,118
1978	659	10,310	6,494	13,727	44,976
1977	632	9,711	6,573	13,950	45,124
1976	732	9,836	6,968	13,964	45,556
1975	683	9,092	6,344	12,337	41,442

Source: U.S. Bureau of the Census:
Current Industrial Reports (MQ23X(85)-5)

Figures on production of other types of home textiles are included in the annual report, Cotton Counts Its Customers, issued by the National Cotton Council of America. The 1988 edition includes preliminary figures for 1987.

Production of Selected Home Textiles by Type: 1986, 1987

	Unit of Measure	1987(p)	1986(r)	% Change 1987/1986
Curtains, excluding shower	1,000 sets	128,287	119,090	+ 7.7%
Lace		3,166	2,638	+20.0
Other, principally woven		125,121	116,452	+ 7.4
Cafe, tiered & cottage		70,734	64,304	+10.0
Ruffled		6,901	6,274	+10.6
Shortie drapes		12,000	12,078	- 0.6
Tailored		35,486	33,796	+ 5.0
Drapery, upholstery & slip cover fabrics	1,000 lin. yds	1,036,617	941,850	+10.1
Drapery fabrics		562,884	516,600	+ 8.9
Mainly woven		494,340	449,400	+10.0
Lining, woven		68,544	67,200	+ 2.0
Upholstery & slip cover fabrics	1,000 lin. yds	473,733	425,250	+11.4
Coated		43,380	51,030	-15.0
Knit		4,338	10,206	-57.5
Woven		39,042	40,824	- 4.4
Uncoated, principally woven		430,353	374,220	+15.0
Window shades, woven, plastic & nonwoven	1,000 units	24,162	23,458	+ 3.0
Wall covering fabric (woven & nonwoven)	1,000 sq. yds.	169,973	171,690	- 1.0
Slip covers, furniture, excluding plastic	1,000 units	4,973	4,875	+ 2.0
Knit		4,590	4,250	+ 8.0
Slip covers		1,148	1,125	+ 2.0
Throw covers		3,442	3,125	+10.1
Woven (throw covers)		383	625	-38.7
Comforters & quilts, excluding filling	1,000 units	21,644	19,676	+10.0
Bedspreads	1,000 units	27,844	26,769	+ 4.0
Quilted		17,950	16,776	+ 7.0
Tufted		2,080	2,000	+ 4.0
Woven		7,814	7,993	- 2.2
Jacquard		3,220	3,157	+ 2.0
Other woven		4,594	4,836	- 5.0

(continued)

Production of Selected Home Textiles by Type: 1986, 1987
(continued)

	Unit of Measure	1987(p)	1986(r)	% Change 1987/86
Mattress covers	1,000 units	2,677	2,650	+ 1.0%
Pads, quilted, excluding filling	1,000 units	28,716	29,240	- 1.8
Bassinet, crib & furniture, woven & plastic		4,806	5,340	- 10.0
Mattress, woven		23,910	23,900	+ 0.04
Pillows & cushions, excluding filling, woven	1,000 units	46,353	43,920	+ 5.5
Bed		25,127	23,705	+ 6.0
Decorative		21,226	20,215	+ 5.0
Textile table cloths, napkins & place mats, excluding plastic	1,000 sq. yds.	131,396	127,279	+ 3.2
Damask		15,840	17,600	- 10.0
Lace		19,602	17,820	+ 10.0
Other, woven		95,954	91,859	+ 4.4
Coated		21,057	19,143	+ 10.0
Uncoated		74,897	72,716	+ 3.0
Rugs & bathmats 6' x 9' or smaller	1,000 sq. yds.	65,800	64,476	+ 2.0
Towels & washcloths, total	1,000 pounds	113,544	108,751	+ 4.4
Terry		79,138	75,148	+ 5.3
Towels		53,735	50,182	+ 7.1
Wash cloths		25,403	24,966	- 1.7
Other		34,406	33,603	+ 2.4
Blankets & blanketing	1,000 units	91,098	88,437	+ 3.0
Bed		84,115	81,665	+ 3.0
Thermal woven		27,384	24,600	+ 11.3
Other woven & non-woven		56,731	57,065	- 0.6
Crib & receiving		6,983	6,772	+ 3.1
Thermal woven		1,174	1,151	+ 2.0
Other woven & non-woven		5,809	5,621	+ 3.3

(p) preliminary
(r) revised

Source: National Cotton Council of America:
Cotton Counts Its Customers, 1988 Edition

PRODUCTION

Fiber Consumption in Home Textiles & Related Products

Consumption of textile fibers in U.S. production of home textiles and related products reached a peak of 1,914.5 million pounds in 1986, according to the Textile Economics Bureau. This was almost 3% above the 1985 total of 1,859.5 million pounds and 12% above the 1980 total of 1,712.2 million pounds.

Cotton accounted for almost 53% of the reported 1986 total, up from a 45.7% share of the 1980 total. In contrast, the share of total fiber consumption in home textiles represented by manmade fibers in 1986 was 46.4%, compared with their 53.4% share in 1980. Total consumption of cotton fibers in 1986 gained 28% over the 1980 total, while manmade fibers were down 2.7%. Note: linen and silk are not covered in the TEB totals on fiber consumption.

Fiber Consumption in Home Textiles & Related Products: 1980, 1985, 1986
(Millions of pounds)

			Fibers		
	Year	Total	Man-Made	Cotton	Wool
Total	1986	1,914.5	889.0	1,007.6	17.9
	1985	1,859.5	952.7	889.1	17.7
	1980	1,712.2	913.7	783.1	15.4
Bedspreads/Quilts	1986	141.9	80.0	61.9	--
	1985	134.4	77.2	57.2	--
	1980	128.2	73.0	55.2	--
Blankets/Blanketing	1986	72.8	51.1	17.4	4.3
	1985	73.5	54.6	14.8	4.1
	1980	109.1	97.2	7.9	4.0
Sheets/Pillow Cases/ Pads, etc.	1986	502.3	254.8	247.5	--
	1985	494.3	269.3	225.0	--
	1980	507.9	263.8	244.1	--
Towels/Toweling	1986	461.7	31.9	429.8	--
	1985	391.5	22.3	369.2	--
	1980	328.5	35.3	293.2	--
Curtains	1986	92.9	77.0	15.9	--
	1985	99.3	87.5	11.8	--
	1980	89.5	80.1	9.4	--
Draperies/Slipcovers/ Upholstery	1986	555.4	331.8	210.0	13.6
	1985	532.8	333.8	185.4	13.6
	1980	484.3	325.2	147.7	11.4
Tablecloths/Napkins/ Shades & Misc. Products	1986	87.3	62.2	25.1	--
	1985	133.7	108.0	25.7	--
	1980	64.7	39.1	25.6	--

Source: Textile Economics Bureau, Inc.:
Textile Organon, September 1987

Fiber Consumption in Home Textiles & Related Products (continued)

The National Cotton Council of America compiles annual reports on the percentage of total material consumption in specific products which is accounted for by cotton. The percentage reported is a weighted calculation involving 100% cotton materials plus the cotton content of blends and mixtures.

The availability of higher-thread count cotton fabrics, competitive pricing, improved finishes and wide assortments in colors and patterns has sharply increased the popularity of cotton in home textiles. In an analysis of U.S. production, the National Cotton Council found that cotton accounted for 56% of the sheet and pillow case fiber consumption in 1987 compared with 42% in 1984. In bedspread production, cotton upped its share of fibers from 41% in 1984 to 51% in 1987, with gains registered in quilted and woven types. Usage of cotton in tufted spreads, however, declined from 48% to 36% in this period.

A sharp rise was noted in cotton's share of fibers consumed in the production of thermal blankets in this period--from 23% to 35%.

Cotton's Share of Total Material Consumed By Product: 1984-1987

	1987(p)	1986(r)	1985(r)	1984
Sheets & pillow cases, except crib	56%	56%	48%	42%
Crib sheets	95	95	95	94
Towels & wash cloths	96	96	96	94
Knit	96	96	96	89
Woven	96	96	95	94
Bedspreads	51	45	42	41
Quilted	40	32	28	25
Tufted	6	14	24	48
Woven	86	79	75	73
Blankets & Blanketing	26	24	19	13
Bed	25	23	18	12
Thermal woven	35	33	27	23
Other woven & nonwoven	19	18	14	7
Crib & receiving	42	40	39	33
Comforters & quilts, excluding filling	54	53	50	46
Curtains, excluding shower	20	18	13	11
Drapery, upholstery & slip cover fabrics	33	30	28	26
Drapery	25	22	19	20
Upholstery & slip cover	40	37	35	30
Mattress covers, woven & plastic	13	13	14	14
Pads, quilted, except filling	39	36	34	34
Pillows & cushions, excluding fillings	46	44	43	41
Slip covers, furniture, excluding plastic		20	20	30
Textile table cloths, napkins, place mats, excluding linen	38	43	43	50
Rugs & bathmats 6' x 9' or smaller, tufted	13	14	12	7
Window shades, woven; plastic; nonwoven	13	15	22	25
Wall covering fabric (coated), woven & nonwoven	34	36	39	42

(p) preliminary
(r) revised

Source: National Cotton Council of America:
Cotton Counts Its Customers, 1988 Edition

PRODUCT SHIPMENTS

Leading U.S. Producers/Market Share

The most recent information compiled by the U.S. Census Bureau on the share of shipments by U.S. manufacturers of specified home textiles, window coverings and related products accounted for by the largest manufacturers is reported in the 1982 census of manufactures results, as noted below.

Share of Total Value of Shipments of Specified Products
Accounted For By the Largest Companies: 1977, 1982

	Value of Shipments (mil. $)	Percent Accounted for by the Largest Companies:			
		Top 4	Top 8	Top 20	Top 50
Sheets, pillowcases					
1982	$ 1,156.3	60%	89%	nr	nr
1977	906.3	59	90	nr	nr
Towels, wash cloths					
1982	964.0	80	94	nr	nr
1977	693.0	82	95	nr	nr
Bedspreads, bedsets made from purchased fabric					
1982	331.4	28	44	72	93
1977	300.4	29	45	71	92
Curtains, draperies, except lace					
1982	1,008.3	20	32	45	59
1977	936.7	25	35	47	59
Window shades, accessories					
1982	181.0	57	76	91	98
1977	140.3	72	83	91	98
Venetian blinds					
1982	406.5	62	73	84	95
1977	89.6	68	78	89	97
Other shades, blinds; rods, poles, etc.					
1982	301.8	71	85	95	99+
1977	329.7	68	78	89	97

nr not reported

Source: U.S. Bureau of the Census, 1982 Census of Manufacturer: Concentration Ratios in Manufacturing, Subject Series (MC82-#-7)

Since 1982, tremendous changes have occurred in the composition of the home textiles industry in the U.S. Details on the major acquisition and mergers in 1985-1986 have been covered in the 1986 edition of the Home Textiles Fact File. Three megamills emerged in this period with these combinations: Springs/Lowenstein, Fieldcrest/Cannon, and Stevens/Burlington's Domestics Division. The value at retail of the combined home textiles shipments of the three giants has been estimated by industry observer Seymour Seidman at $3 billion.

Leading U.S. Producers/Market Share (continued)

After a very brief pause for assimulation, the industry is again undergoing consolidations. In May 1988, Magnolia Partners, L.P.--a partnership formed by West Point Pepperell, Inc. and the NTC Group Inc.--acquired J.P. Stevens. Portions of the company, including Stevens' Auto Products, Apparel Fabrics, Residential and Commercial Carpet, and Industrial Products divisions were sold to Odyssey Partners Group, New York. (This became a new private company, JPS Textile Group, Inc., Greenville, S.C.)

The Bibb Co., a sheeting mill owned by the NTC Group, which is based in Macon, Ga., was launched as a broad-based domestics supplier with significant market shares when it acquired 20% of Stevens' sheeting business, consisting of the institutional lines, and about 50% of its towel capacity, including institutional products and private labels--predominantly for J.C. Penney Co. and Sears, Roebucks & Co. (volume estimated at $70 million).

Bibb's new terry division has sales estimated at $150 million. The company's total sales more than doubled with the acquisition of Stevens' operations, from $200 million to an estimated $450 to $550 million. Bibb's share of the towel and sheet market is estimated at 10 to 15% each, according to the chairman of the company, Tom Foley (HFD June 13, 1988). Fieldcrest/Cannon and the second largest towel resource, West Point, together claim about 80% of the market; and Bibb is in a close race for the number three position with Dundee Mills, according to this source.

West Point had purchased Cluett Peabody & Co. in January 1986, thereby becoming the largest publicly-owned textile firm. A combined West Point/Pepperell/Stevens places first in the bed linen market. Steven's branded towel and sheet operations were reported to add about $540 million in annual sales to West Point's operations (reported at $1.7 billion in the year ended Sept. 26, 1987).

Division of the bed linen and the towel markets before the acquisitions noted above, and an estimate on the market profile afterwards, have been reported as noted below (with some variation from later estimates quoted in HFD on June 13, as noted above). To allay fears expressed among retailers that consolidation of major mills would result in less product innovation and higher prices, West Point-Pepperell has announced plans to run Stevens as a separate entity.

PRODUCT SHIPMENTS

Leading U.S. Producers/Market Shares (continued)

The Bed Linen Market

	Market Share Before Purchase of Stevens by West Point	 After Purchase of Stevens by West Point
Springs Industries	28%	28%
J.P. Stevens	28	--
Fieldcrest/Cannon	20	20
West Point-Pepperell	14	36
Bibb	6	12

The Towel Market

Fieldcrest/Cannon	45%	45%
J.P. Stevens	20	--
West Point-Pepperell	15	25
Bibb	0	10

Source: Prudential Bache Securities; Bibb Co.
(The New York Times, April 26, 1988)

Another source, Grace Taferner, analyst with First Manhattan, places West Point/Stevens' share of the bed linens market at 37 to 38%, up from 16% before the purchase, and the share of towel business held by the new company at 27%, up from West Point's 15%.

Just as the announcement of West Point Pepperell's acquisition of J.P. Stevens & Co. was made, the company received an unsolicited notice that Farley, Inc., an investment company, was seeking to acquire West Point. (The principal owner of Farley, Inc., William F. Farley, is chairman and chief executive officer of Fruit of the Loom.)

Mill consolidations are resulting in fewer resources for home textiles, but are increasing opportunities for small mills and foreign producers. According to an analysis of industry trends in The Seidman Report (HFD, April 25, 1988), the big textile mills are expected to remain the dominant source for basic sheets and towels. However, demand for fancy merchandise including satin sheets, all-cottons, and sheets made of non-traditional sheeting material, for fancy towels, and for specialties and accessories is growing.

Leading U.S. Producers/Market Shares (continued)

Smaller, specialized mills have an edge in supplying this demand as well as matched sets, shams, dust ruffles, and specialized products. The smaller mills are catering to the independent linen shops and smaller retailers. Mill consolidations are seen as fostering the development of cross merchandising involving both retailers and manufacturers in other industries; thereby broadening product categories offered, as non-textiles share space with textile products as retailers fill gaps in available bed linens/towels.

Poly/cotton blend sheets, which represented 95% of U.S. shipments in the early 1980's, according to Seymour Seidman, are expected to represent about 70% in 1988. The balance will represent 3.5 million dozen sheets and cases, worth close to $300 million at retail--a market in which the smaller mills will have a major stake. Smaller towel mills may be helped by having an edge inprompt delivery of specialized products which are now growing in popularity, such as embellished, appliqued and print towels, and kitchen ensembles, to the tune of an estimated wholesale value of $450 million, according to Seidman.

As a counter measure, some large mills are developing specialized operations. For example, Cannon Mills, the terry bath towel leader, has created a separate, and wholly specialized, kitchen division which has its own sales, marketing and design staffs.

Retailers are generally enthusiastic about trading up in towels and other home textiles to offset declining profit margins as prices are cut to meet competition in standard lines. While embellished towels, etc., may not represent a large share of retail volume, they account for a much larger portion of profits. Coordination of upscale merchandise of all types within the framework of home textiles and related products adds attractive opportunities for retailers.

The value of Industry Shipments covered in the GENERAL INDUSTRY STATISTICS Section includes plants classified in a specific SIC industry code (based on their primary product) figures on the total value of all products shipped by the plant, including secondary products plus miscellaneous receipts.

The value of Product Shipments, on the other hand, covers the total value f.o.b. plant, of specified products shipped by all producers regardless of the plants' primary industry classification. Annual reports, based on a survey among a sample of manufacturers, covering product shipments in broad groups of home textiles and related products, are issued by the Census Bureau to provide key information for years between the complete census of manufactures taken every five years.

In 1986, the value of shipments of specified home textiles, plus alternative window treatments and related hardware, was reported at $8.1 billion. This represented a 5% gain over the 1985 total of $7.7 billion. Results varied considerably by product category, as noted in the following table.

PRODUCT SHIPMENTS

Producer Price Levels

Producer (Factory) Price Index: December 1987

(1982=100 unless otherwise indicated)

	Base Period	Index
Home textiles		101.9
Bed clothes		103.9
Spreads, sets		105.7
Blankets	6/87	102.6
Other home textiles	6/83	101.5
Towels, washcloths		96.2
Draperies		114.4
Curtains, except lace	6/84	103.7
Other home textiles	6/83	101.3

Source: U.S. Department of Labor, Bureau of Labor Statistics

Value of Shipments of Specified Products: 1984-1986

(Millions of dollars)

	1986	1985	1984	% Change 86/85
Total value of reported products	$8,111.5	$7,724.5	$7,508.3	+ 5.0%
Reported home textiles, total	6,723.6	6,398.2	6,275.4	+ 5.1
Bedspreads, bedsets (made from purchased fabric)	398.9	375.7	340.3	+ 6.2
Sheets, pillow cases, total	1,181.3	1,250.0	1,227.7	- 5.5
Purchased fabric	682.9	813.5	740.6	-16.0
Made in weaving mills: man-made fibers, chiefly man-made	498.4	436.5	487.1	+14.1
Towels, washcloths, total	1,229.3	1,161.6	1,283.7	+ 5.8
Purchased fabric	420.4	394.4	433.1	+ 6.6
Made in weaving mills: cotton	711.3	658.2	705.9	+ 8.1
Made in weaving mills: man-made, chiefly man-made fibers	97.6	109.0	144.7	-10.4
Blankets made in weaving mills: wool, chiefly wool	20.9	20.9	20.4	-0-
Other home textiles not including products made in weaving mills (blankets, comforters, table coverings, chair pads, etc.)	2,043.1	1,933.1	1,689.1	+ 5.7
Other home textiles, n.e.c., n.s.k.*	423.4	388.7	465.2	+ 8.9
Curtains, draperies, except lace	1,426.7	1,268.2	1,249.0	+12.5
Other window coverings, drapery hardware, etc., total	1,387.9	1,326.3	1,232.9	+ 4.6
Window shades, accessories		247.2	211.9	+ 7.0
Venetian blinds	612.9	581.9	541.1	+ 5.3
Other shades, blinds; rods, poles, etc.	510.6	497.2	479.9	+ 2.7

n.e.c. not elsewhere classified
n.s.k. not specified by kind
* Not including products made in weaving mills.

Source: U.S. Bureau of the Census: Annual Surveys of Manufactures

PRODUCT SHIPMENTS

The following table covers product shipments reported in the 1982 and 1977 Censuses which are more detailed than the Annual Survey of Manufactures reports. (The 1987 Census is now underway, but published reports will not be available for about two years.)

Value of Shipments of Home Textiles & Related Products By All U.S. Producers: 1977, 1982

(Millions of dollars)

	1982(r)	1977
Total, reported home textiles & related products	$6,422.0	nr
Bedspreads and bedsets	402.8	$400.3
Made from purchased fabric	331.4	nr
Made in weaving mills	71.4	nr
Types:		
Tailored, quilted	178.5	nr
Wholly or chiefly cotton fabric	56.7	nr
Wholly or chiefly manmade fiber fabric	121.8	nr
Tailored, nonquilted	32.2	nr
Wholly or chiefly cotton fabrics	9.2	nr
Wholly or chiefly manmade fiber fabrics	23.0	nr
Nontailored, tufted	16.2	nr
Nontailored, not tufted	141.1	nr
Wholly or chiefly cotton fabric	55.7	nr
Wholly or chiefly manmade fiber fabric	85.4	nr
Type not specified	34.8	nr
Sheets and pillowcases	1,833.9	906.3*
Made from purchased fabric	677.6	479.5
Made in weaving mills, man-made fibers, silk	1,156.3	426.8
Towels and washcloths	1,050.2	693.0
Made from purchased fabric	355.9	276.6
Made in weaving mills		
chiefly cotton	608.1	416.4
chiefly manmade fiber	86.2	nr
Blankets, woven, total	181.3	nr
Made from purchased fabric	102.7	nr
Made in weaving mills	78.6	nr
Size:		
Adult	124.2	nr
Crib	57.1	nr
Blankets, nonwoven fabrics	89.6	102.0
Shower bath curtains, including plastics, coated fabrics and all other	125.5	885.7
Quilted products, except bedspreads:		
Comforters (bed)	196.7	81.6
Convertible sleeping bags	8.5	
Mattress protectors	79.7	76.6
Other, including wadded quilts and baby pads	23.4	18.7

(continued)

Value of Shipments of Home Textiles & Related Products By All U.S. Producers: 1977, 1982

(Millions of dollars)
(continued)

	1982(r)	1977
Tablecloths, total	$ 134.3	103.8
Plastics or plastic coated or laminated	43.8	46.6
All other	90.5	57.2
Napkins	38.8	24.5
Place mats and sets, including plastics	34.6	17.8
Other related articles except lace (dresser covers, scarfs, bridge sets, doilies, etc.)	17.5	21.3
Bed pillows:		
Foam rubber & other materials	213.5	108.7
Fancy pillows & cushions	128.5	85.7
Foam rubber	31.6	21.5
Other materials	96.9	64.2
Slip covers		
Furniture (fabric, plastics, other)	19.7	55.5
Mattress	7.3	18.5
Other	9.7	6.8
Bags (laundry, wardrobe, shoe, storage)	30.5	21.4
Curtains & draperies, except lace	1,008.3	936.7
Window curtains	289.5	233.8
Wholly or chiefly cotton	58.2	45.6
Wholly or chiefly manmade fiber fabrics	205.7	170.5
Other materials, including plastic	25.6	17.7
Draperies (all lengths)	840.6	439.6
Wholly or chiefly cotton	82.1	127.3
Wholly or chiefly manmade fiber fabrics	279.6	285.7
Other materials, including plastic	58.6	26.6
Curtains & draperies, type not specified	298.5	263.3
Window coverings, other than curtains & draperies (alternative window treatments)		
Shades & accessories	181.0	140.3
Plastic window shades	108.4	63.0
Other window shades	54.1	48.6
Shade accessories & rollers sold separately	9.6	18.7
Window shades & accessories, type not specified	9.0	10.0
Venetian blinds & parts, total	406.5	99.0
Complete venetian blinds, vertical & horizontal		
Aluminum slat blinds	245.4	52.3
Other, wood, plastics, etc.	84.8	nr

(continued)

Value of Shipments of Home Textiles & Related Products By All U.S. Producers: 1977, 1982
(Millions of dollars)
(continued)

	1982(r)	1977
Venetian Blinds & Parts (continued)		
Unassembled venetian blinds, parts, components, etc.	$ 70.7	nr
Venetian blinds, type not specified	5.7	13.0
Other shades and blinds, curtain and drapery rods, other hardware	301.8	320.3
Shades, blinds, hardware, etc., type not specified	111.9	55.7

(r) revised
* Data for 1977 on sheets and pillowcases is not exactly comparable to 1982 information.
nr not reported

Source: U.S. Bureau of the Census: *Census of Manufactures*, Industry Series, (MC82-1-23E)

Bed Linens, Towels

The quarterly and annual reports on U.S. manufacturing of bed linens and towels issued by the Census Bureau cover details on shipments, as well as on production. In 1987 sheet shipments (not including crib sheets), valued at $940.9 million (f.o.b. plant), were up 7.0% over the 1986 value reported at $879.7 million. This reversed the 3.5% decline reported in shipments in 1986 compared with 1985. In terms of units, sheet shipments excluding crib were up 6.5% last year over 1986, but the 14,773 thousand dozen shipped was below the 1985 total of 14,870 thousand dozen.

The value of shipments for terry towels was $994.3 million in 1987, representing a 7.5% increase over the 1986 value totaling $924.9 million. Quantity of shipments increased from 50,010 thousand dozens in 1986 to 50,536 thousand dozen in 1987, an increase of 1.1%.

As noted in the section on PRODUCTION, output of sheets and towels shows a slowdown in growth. Future growth among manufacturers in the home textile industry appears to rely more heavily on expanding into related, coordinated lines, including nontextiles, rather than on the expectation of expanding consumer demand for sheets and towels.

Manufacturers are to an increasing extent developing total bedroom treatments, including bed linens, comforters, shams and skirts plus window treatments. Bath ensembles include coordinated towels and washcloths, bath mats and window treatments, plus such accessories as coordinated towel racks, hampers, soap dishes, waste baskets and the like.

PRODUCT SHIPMENTS

Bed Linens, Towels (continued)

Quality & Value of Shipments of Sheets & Pillowcases By U.S. Mills: 1986, 1987

	Quantity (thous. dozens)		Value (millions of $)	
	1987	1986	1987	1986
Sheets & pillowcases, total	27,590	26,332	$1,226.9	$1,148.6
Crib size	507	528	19.2	19.1
Sheets, excluding crib	14,773	13,877	940.9	879.7
Flat sheets	8,630	8,141	556.0	520.2
Fitted sheets	6,143	5,736	384.9	359.5
Thread count:				
195 & over	1,083	724	112.0	78.8
180 to 194	7,593	6,964	525.7	486.0
135 to 179	933	1,137	52.6	65.1
125 to 134	1,926	2,201	97.8	111.7
Under 125	3,238	2,851	152.8	138.0
Fabric:				
Polyester/cotton blends	11,880	11,448	720.0	694.3
Other fabrics	2,893	2,429	221.0	188.5
Size:				
King	1,764	1,668	164.6	154.1
Queen	3,091	2,783	252.6	227.9
Full	4,439	4,303	262.8	257.3
Twin	5,037	4,833	241.2	228.2
Single & smaller	442	290	19.6	12.3
Flannel sheets	474	426	37.5	36.6
Pillowcases (except crib)	12,310	11,917	266.8	249.7
Thread count:				
195 & over	928	683	38.7	28.8
180 to 194	6,571	6,178	148.1	137.9
Under 180	4,811	5,056	80.0	83.0
Fabric:				
Polyester/cotton blends	9,933	9,747	195.6	190.4
Other fabrics	2,377	2,170	71.1	59.3
Special Counts				
Branded retail shipments of sheets & pillowcases (except crib)	18,363	17,422	850.2	806.1
Upstairs brand	7,634	7,565	426.9	425.9
Open brand	10,729	9,857	423.2	380.1
Sheet sets (excluding water bed)	2,885	2,503	467.4	395.2
Waterbed sheet sets	179	212	27.0	28.9

Source: U.S. Bureau of the Census:
Current Industrial Reports MQ23X(87)-5

PRODUCT SHIPMENTS

Bed Linens, Towels (continued)

According to the Census Bureau, the institutional market represented 15% of total U.S. shipments of sheets in terms of units, 14.1% of the value in 1987. Comparable figures for pillow cases were 17.4% and 10.3%, respectively.

Of total unit shipments of sheets 180 count or greater, private label accounted for about 15% in 1987, down from 19.8% in 1985. In terry towels, private label represented 16.1%, up from 14.5% in 1985.

Quantity & Value of Shipments of Terry Towels & Other Terry Products: By U.S. Mills: 1986, 1987

	Quantity (thous. doz.)		Value (mil. $)	
	1987	1986	1987	1986
Finished terry towels*	50,536	50,010	$ 994.3	$ 924.8
Type:				
Sheared	13,941	13,668	205.5	197.9
Nonsheared	36,595	35,342	788.8	726.9
End use:				
Kitchen	4,992	6,155	46.6	47.5
Bath	22,126	23,394	588.1	556.9
Hand, guest, etc.	20,892	18,130	254.4	229.2
Bath/tub mats	785	688	27.2	23.3
Other (queen/king size, bath sheets, beach towels bath mats)	1,741	1,643	78.0	67.9
Terry towels sold for further processing elsewhere (e.g. blankets)	(D)	(D)	(D)	(D)
Terry washcloths	25,162	25,137	153.0	144.9
Special summary date on towels:				
Branded retail shipments of towels & washcloths	41,880	39,314	704.1	636.4
Upstairs brand	6,105	6,109	202.1	185.5
Open brand	35,775	33,205	502.0	450.8
Huck & crash towels	15,237	16,526	11.7	14.9
Terry cloth sold by the yard				
Other terry products:	18,706**	21,015**	36.4	41.2
Pot holders, aprons, dishcloths, etc.	3,685	7,449	22.6	32.5

* To the extent that this yardage is fabricated into towels and washcloths, there is duplication in the figures.

**In thousands of square yards.

(D) Data withheld to avoid disclosure of figures for individual companies.

Source: U.S. Bureau of the Census, *Current Industrial Reports*, MQ23X(87)-5

Bed Linens, Towels (continued)

Quantity & Value of Shipments of Sheets, Pillowcases & Other Terry Products By Distribution Channel: 1987

	Total	Branded Retail*	Private Ticket Retail**	Export***	Institutional & Other#
Sheets (except crib)					
Less than 180 count:					
Quantity	100.0%	72.2%	12.7%	3.1%	12.0%
Value	100.0	73.8	12.0	3.2	11.0
180 count & greater					
Quantity	100.0	65.3	14.9	2.7	17.1
Value	100.0	67.6	14.2	2.6	15.6
Pillowcases					
Quantity	100.0	67.4	12.7	2.6	17.4
Value	100.0	73.6	13.8	2.9	10.3
Terry towels					
Quantity	100.0	58.5	16.1	(D)	(D)
Value	100.0	61.1	17.6	(D)	(D)
Washcloths, terry					
Quantity	100.0	48.9	14.6	(D)	(D)
Value	100.0	65.9	14.2	(D)	(D)

(D) Data withheld to avoid disclosure of figures for individual companies.

* Branded retail: sales of company brands including premium goods, drops (closeouts) and seconds sold to domestic consumers through all types of retailers.

** Private ticket retail: sales with retail identification -- with or without a manufacturer's corporate identification but not with a manufacturer's brand name.

*** Exports: includes only direct company shipments for export, not export shipments handled through jobbers or distributors.

# Institutional & other: includes domestic distribution only, and includes all Federal and State contract business, commercial accounts (hotels, etc.) which are sold on a contract basis, and shipments to dealers who are involved in resale to the institutional trade.

Source: U.S. Bureau of the Census,
Current Industrial Reports MQ23X(87)-5

Kitchen towel and kitchen ensembles including pot holders, appliance covers, dish cloths, etc., matched to towels, have become big business. According to Seymour Seidman (The Seidman Report, HFD July 4, 1988) shipments of kitchen towels by U.S. mills are currently at about $50 million, and another $30 million worth of accessories are sold. In addition, the value of shipments by printers who buy terry blanks for printing (such as Franco Mfg. Co.) and imports, more than doubles total kitchen volume. Manufacturers are adding to their offerings for the kitchen to include rugs (slices), coordinated chair pads, etc., to provide complete kitchen ensembles.

Beach towels are becoming a year-round item as customers respond to their whimsical appeal or vibrant colors. U.S. mills concentrate on solid color body sheets, with shipments currently estimated at $90 million this year in larger size body sheets. In addition, smaller independents' shipments are valued at over $100 million, mostly in beach prints and wovens.

PRODUCT SHIPMENTS

Blankets, Spreads, Comforters

In recent years U.S. blanket producers have seen a decline in shipments of conventional blankets as retailers and consumers focused more attention on fashion items; such as comforters, shams, dust ruffles, spreads, to update bedrooms. However, there was an upturn in 1987. Unit shipments of blankets rose almost a million to 28.8 million compared with 1986's 27.9 million. Dollar value at mill cost level rose from $193.2 million to $205.7 million, an advance of 6.5%.

Trends in Shipments of Blankets By U.S. Mills: Selected Years, 1978-1987
(Millions of Units)

1987	28.8
1986	27.9
1984	25.8
1980	36.3
1978	37.6

Source: Trade information

The biggest gain in 1987 was in all-cotton blankets represented by the thermal weaves. Unit shipments were up 36.3% over 1986; dollar value at mill cost jumped 44%. Trade observers look for continued growth in this market as heavier weights for year-round use are promoted. However, costs are rising sharply on cotton, as well as wool. Increases are also being reported in manmade fiber prices. Of all bed blankets, manmade fibers are reported to represent 80% of the dollar volume; cotton and wool, 20%.

Shipments of Blankets By Fiber Type: 1986, 1987
(Millions of Units)

	1987	1986	% Change
Total shipments of blankets	28.8	27.9	+ 2.8%
100% nylon	7.5	7.4	+ 1.3
100% polyester	7.9	7.8	+ 1.3
100% cotton	4.5	3.3	+36.3
100% wool/chiefly wool	0.7	0.8	-12.5
Chiefly cotton	1.9	2.4	-20.8
Man-made fiber blends	6.3	6.4	- 1.6

Source: Trade information

Another big mover in 1987 were throws which, according to The Seidman Report, gained 17% in value of U.S. manufacturers' shipments in 1987. Jacquard cotton throws registered the best gain, and are expected to grow. This category covers a wide range of styles, and several sizes in cottons and acrylics--the latter mostly imports. Throws are used as lap robes inside and outside the home, and are in year-round demand. A new development is electrified throws.

Blankets, Spreads, Comforters (continued)

The Seidman Report (HFD May 9, 1986) noted a gain in woven blankets over non-wovens in 1987. All-wovens were reported to be up nearly 12% in mill dollars compared with 1986, while non-wovens gained only 1.5%. The average cost of a conventionally woven blanket last year was reported at $10.15 vs. $6.15 for non-wovens.

The three biggest U.S. blanket manufacturers are Fieldcrest-St. Marys-Cannon; Beacon and Owens, according to Seidman. Other mills are strong in segments of the market: Martex shares position with Fieldcrest among department stores and better linen shops, according to Seidman; Pepperell is a factor in the mass discount market. Other mills, such as Faribo, Tennessee and Chatham, have niches with quality labels.

Domestic mills and curtain/drapery makers are in direct competiton in the bed covering arena. Mills have intensified their commitment to the bedspread area and to the whole bedroom ensemble business, placing more emphasis on total room treatments based on their sheeting patterns and well-known designer collections.

Spreads and comforters are part of the skirmish for market shares by new manufacturer contenders. Comforters are made and sold by three different types of manufacturers: domestic mills which make them to coordinate with sheet patterns, curtain and drapery manufacturers who do them as part of window treatment ensembles and bed pillow manufacturers who make comforters, and often spreads, as freestanding items. The last group can be split even further by those who use down, those who use fiberfill, and those who use both in their comforters.

In line with the popularity of the total look in bedroom decor, comforter manufacturers are offering coordinated bedskirts and shams. The fashion appeal of comforters plus utility as a bed covering providing warmth, have worked to the disadvantage of bedspread volume in recent years. According to The Seidman Report (HFD Feb. 29, 1988), 10 years ago the bedspread industry did some $400 million at cost; current volume is estimated at no more than 5% above that figure; and unit volume has declined. Tufted spreads are about 10% below their peak of 17 million units. Flat wovens have also experienced a dramatic drop in units.

As prices increased, market demand has turned from tufted and wovens to quilted spreads, which now represent about two-thirds of the business. (Formerly, the market was evenly divided among the three types.)

Electric Blankets/Bed Coverings

Shipments of electric blankets and other bed coverings have declined in recent years. In 1987, according to The Seidman Report (HFD, March 28, 1988), unit shipments of blankets were estimated at 3.8 million--about half the 7 million shipped in the peak year, and comparing with shipments of 4.7 million units reported by the Census Bureau for 1986.

PRODUCT SHIPMENTS

Electric Blankets/Bed Coverings (continued)

Quantity & Value of Shipments of Electric Bed Coverings: 1984-1986
(Thousands of units; millions of dollars)

	1986		1985		1984	
	Quantity	Value	Quantity	Value	Quantity	Value
Electric						
Blankets	4,688.8	$122.7	4,785.6	$128.0	4,939.9	128.6
Other bed coverings	674.7	140.0	810.6	17.2	653.8	13.8

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Electric Housewares & Fans (MA36E)

Automatic blankets enjoyed a peak in popularity in the 1970s during the energy crisis. Concerns over the safety of automatic blankets, a lessening of consumer concern about fuel costs, and generally milder winters in recent years have resulted in a delcine in demand. The current popularity of natural fibers and comforters is another factor in the fall-off in electric blanket sales.

The industry has kept dollar volume from falling as sharply as units by adopting improved, high tech controls and up upgrading from polyester/acrylic blends to 100% acrylic shells. The largest U.S. producers, Northern Electic and Fieldcrest, have developed thermostat-less models that respond to body temperature.

U.S. manufacturers are also broadening and diversifying offerings. Northern Electric launched a heated throw in response to the booming throw category; the company has also developed a fleece bedwarmer with zoned heat. Electric pads with a million unit market are being produced by Chatham and Northern Electric as well as Fieldcrest Cannon.

Northern is reported to account for 2 million out of the 3.8 million electric blankets shipped in 1987, with Fieldcrest and Belton accounting for most of the remainder. Chatham holds about half the one-million unit electric bed pad markets.

Mattress Pads/Comfort Sleep Products

A major development in recent years has been the growth in the market for comfort/health sleep products, including special pillows, mattress pads and related products. The business done in polyurethane, polyfill, latex and down pillows and pads, alone, has climbed to an estimated $100 million at retail in a few short years (Home Fashions Textiles, September 1987), although there are indications that growth in the market may be slowing.

The comfort sleep development started about 12 years ago when Perfect Fit introduced the fitted all-around-the-mattress BedSack. Retail sales of this product and similar type pads have totaled at least $1 billion to date, according to The Seidman Report (HFD, June 6, 1988).

Mattress Pads/Comfort Sleep Products (continued)

Sales of foam mattress pads amounted to $40 million in 1987, 40% of the mattress pad market, according to industry sources. New product introductions in mattress pads have resulted in higher average costs, so that dollar volume has progressed much faster than unit volume. Manufacturers have switched selling emphasis from pads protecting mattresses to pads that aid comfortable sleep. Trading up is evidenced in the launching of all-wool fleece pads and of all-cotton pads. The Wool Bureau reports that the sale of wool and wool blend pads increased from 30,000 in 1983 to 750,000 in 1986.

The content of pillows and mattresses related to health/comfort benefits are the focus in the bedding arena, and sales of these sleep aids are expected to reach a peak of at least $150 million in 1988.

Bed Pillows

The traditional fiber-filled bed pillow business now has competition in the growth in demand for therapeutic pillows, in department stores and linen specialty stores. While they account for some 10% of pillow units, their share of dollar volume is much higher and they have accounted for most gains in the pillow business. Pillow manufacturers are also trading up by using new, higher priced fiber fills, enabling them to put more emphasis on pillows selling at $15 to $19 (most sell at $5.99 to $9.99).

Along with mattress pads, pillows have evolved where content is stressed in relation to contribution to sleep improvement. Many of the promotable new products were developed originally for hospitals, including cushions, wedges, toppers and neck and back supports.

The specialty pillows that provide neck and head support, are usually made of foam, were reported to account for 10% of total bed pillow units in 1986, and selling at retail for about twice as much, at $20, as conventional pillows. According to The Seidman Report (HFD August 11, 1986), the specialty pillow market could approach 4 million units, worth $80 million at retail.

The conventional pillow market is generally divided into two major categories: polyester basics and feather and down basics. In the former, emphasis is on branded fibers from Celanese, DuPont, Eastman and Hoechst. In the natural fiber category, emphasis is on the down and feather ratio. Polyester fiber filled pillows are reported to account for 70% of the total.

Window Treatments: Curtains, Draperies

With the explosion in offerings of different types of window treatments, curtain and drapery manufacturers have been faced with a decline in consumer demand in recent years. However, there has been a turn back to soft window coverings and manufacturers are stimulating demand with increased offerings in styles, materials and colors to fit every whim. As previously noted, many are also expanding product lines to include bedspreads, comforters, kitchen textiles and more.

Window Treatments: Curtains, Draperies (continued)

Trade sources have estimated that soft treatments will be a major factor in the window treatment markets in the next few years. Embellishments and top treatments are playing a key role in new styles to add to basic looks. Custom drapery treatments are reported to be gaining ground, but ready-mades represent about two-thirds of the market.

Manufacturing is increasingly concentrated among a handful of big manufacturers--including Burlington House Draperies, Aberdeen Mfg., and Arly Merchandise Corp.

Window treatment marketers are being helped by trends in toward more windows in new homes. A study by the National Wood Window and Door Association indicated that an average of 14.2 windows were installed in detached single-family homes built in 1986 compared to an average of 12 in 1985. Patio doors are also being used to a greater extent, with unit demand expected to be up nearly 10% in 1988.

Alternative Window Treatments

Window treatments other than curtains and draperies are one of the fastest growing components of the home goods market. As in other segments, however, the industry is undergoing changes brought on by acquisitions and consolidations, as well as the rapid introduction of new products and entrance into the industry of manufacturers making other lines.

Imports, too, are a major factor in some lines. The U.S. stock blind market is now dominated by imported vinyl blinds, mainly from Taiwan, while U.S. producers dominate the market for mini and vertical blinds.

In stock verticals, PVC vinyls are strong where price is a factor more important than fashion, although new fashion treatments have been adopted in these products, too. Most stock vinyl mini blinds are imported, but the days of rapid growth in this $400 million industry are reported to be over. For 1988, the hot growth area in stock products will be imported vinyl vertical blinds.

Sales of imported stock vinyl mini blinds took off three years ago, slicing away at the market share of aluminum mini blinds. In 1987, between 44 and 50 million vinyl mini blinds were imported by the U.S. Sales have slowed, however, and cancellations of orders are reported. As prices increase due to the drop in the U.S. dollar, price resistance is encountered and some major retailers are choosing to import directly from overseas to cut costs, while some U.S. suppliers are seeking new sources in China, Korea, and Mexico, with less concentration on Taiwan as a source for vinyl mini blinds.

Trade sources estimate the wholesale value of the alternative window coverings market currently is $1.2 billion. One of the largest companies, Levolor Lorentzen Inc., with 1987 sales of $259 million, was acquired in May 1988 by an investor group led by Dean Witter Capital Corp. which plans to restructure the company in the hope of reversing the downtrend in the company's market share.

Alternative Window Treatments (continued)

The increase in acquisitions and consolidations noted in the home textiles industry also prevails in window coverings. Another major player, Hunter Douglas, has been acquiring major window coverings fabricators while still maintaining an independent fabricator network. And the industry is also undergoing changes as the trend to coordination makes its impact. Some curtain and drapery manufacturers have entered the hard window treatment market with matching vertical blinds; some alternative window coverings producers are making coordinated curtain and drapery introductions; in other cases, the two types of producers are cooperating in coordinating introductions.

New products have cut into the venetian blind market. One of the fastest growing is the pleated shade category. Competition is growing as more manufactuers enter the field with new versions of this upscale product, which is reported to be growing at an annual rate of 30%, and which now accounts for about 16% of the alternative window treatment market.

Duette, the honeycombed shade with hidden cords, manufactured by Hunter Douglas, took the market by storm. Duette sales topped $200 million in 1987 and accounted for an estimated 40% of the pleated shade market. Verosol is considered the leader in traditional pleated shades, although its share of the pleated shade market is reported to have dropped from 50% to about 25% or 30%, according to trade sources. In July 1988, Verosol will introduce a new improved shade designed to inhibit light emission. New fashion colors and a wide choice of fabrics, plus a variety of products for specialty windows, are expanding the market and opening the way for new suppliers with new ideas.

FOREIGN TRADE

Imports

U.S. imports of a broad category of textile furnishings which includes floor coverings, reported by the U.S. Census Bureau for 1987 increased by $142 million or 11% over 1986, to reach a Customs value of $1.4 billion. Floor coverings accounted for 49% of this total; towels, 17%; bed linens, 14%.

Significant increases in imports have resulted in import controls on certain products, including sheets, pillowcases and towels. The import penetration level for sheets and pillowcases in the early 1980's was less than 1%, and increased to 7.9% in 1987. Imports of towels increased from 7% of U.S. towel consumption in 1980 to 16.1% in 1987. Import penetration, of course, varies considerably for specific products, such as acrylic throws, etc., where they have a larger than average market share, and they represent a major share of stock vinyl Venetian blinds as noted. There was a sharp decline in imports of curtains and draperies in 1987, down almost 24% in quantity, 7% in value.

In 1987, China was the largest supplier of curtains and draperies, tablecloths and napkins, handmade lace products, towels and miscellaneous furnishings, and the second largest supplier of sheets and pillowcases, blankets, bedspreads, comforters, quilts.

FOREIGN TRADE

Imports (continued)

Imports & Exports of Home Textiles: 1985-1987
(Value in thousands of dollars)

	1987	1986	1985	% Change 1987/86
Home textiles, except curtains & draperies, floor coverings				
Value of imports*	$672,086	$600,786	$547,755	+ 11.9%
Value of exports**	89,617	80,913	88,504	+ 10.8
Curtains, draperies				
Imports: 1,000 pounds	5,772	7,560	5,202	- 23.6
Value*	41,120	44,118	33,861	- 6.8
Exports: 1,000 pounds	2,568	1,797	1,895	+ 42.9
Value**	7,087	5,849	8,818	+ 21.2

* Customs value which is the actual price paid when sold for exportation, not including import duties, freight, insurance, and other changes.

**Value f.a.s., U.S. port of export.

Source: U.S. International Trade Commission: U.S. Trade Shifts in Selected Commodity Areas

According to the industry analyst, Seymour Seidman, the big mill consolidations have refocused interest on foreign suppliers for cloth and terry blanks, as domestic manufacturers seek to maintain their supplies.

Kurt Salmon Associates has reported the following on share of unit sales of home textiles accounted for by imports. These figures are based on over-the-counter retail sales.

Percent of Units Accounted For By Imports: 1986, 1987

	1987	1986
Towels & washcloths	21%	21%
Sheets & pillowcases	7	7
Curtains, draperies	15	12
Bedspreads, blankets	7	8

Source: Kurt Salmon Associates: The KSA Perspective (Dec. 1987)

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Households

The household population, and the formation of new households, are counts of importance in evaluating market potential for home products. In 1987, according to the U.S. Census Bureau, there were 89.5 million households in the U.S. This compares with 85.2 million in 1984, and 80.8 million in 1980.

Households (continued)

The propensity of young adults to remain in the parental home--representing 54% of individuals 18-24 years old compared with 48% in 1980--has resulted in a decline in the proportion of young adult households. However, the growth of households has been relatively robust among "baby boom" age groups--now at an age where there is increased interest in furnishing homes. Between 1980 and 1987, the number of new households increased 11% in the 25-34 age group and 34% in the 35-44 age group.

For the remainder of the decade, the number of households in the 15-24 age group is expected to decline further, while household formations among those aged 25-54 should be maintained through continued growth in their population. According to the middle of three projections on household counts by the Census Bureau, by the year 2000 there will be 106 million households.

CONSUMER EXPENDITURES FOR HOME TEXTILES & RELATED PRODUCTS

In order to collect a continuous flow of information on purchases by American consumers to be used in the periodic revisions of the Consumer Price Index base, as well as a wide variety of research by government and business analysts, an on-going survey of representative samples of consumers is conducted by the Census Bureau for the Bureau of Labor Statistics, utilizing both diaries and interviews.

Information on purchases of home textile and related products is developed through interviews, yielding data projectable in 1986 to 93,741,000 consumer units in the U.S. These units represent the civilian, noninstitutional population and are defined as (1) all members of a particular housing unit who are related by blood, marriage, adoption or some other legal arrangement such as foster children, and (2) a person living alone or sharing a household with others, or living as a roomer, but financially independent. (This definition results in a higher count than the household count covered by the Census Bureau's definition which does not separately count those sharing a household with others.)

An average expenditure per total U.S. consumer unit is reported by the BLS for a wide variety of products and services. Based on the average of $83.49 per consumer unit spent on home textiles for own use, plus spending for gifts, total consumer expenditures in 1986 are estimated at $8.4 billion, 6.8% above the comparable estimate for 1985. Included are all types of consumer spending including purchases through retail stores, through decorators, etc.

The BLS reported that each quarter in 1986 an average of just over one out of four consumer units (25.6%) reported purchases of home textiles, and average spending among this group amounted to $81.55, not including gifts. Each quarter, an average of 17.6% of the consumer units bought bed, bath or kitchen textiles to give as gifts, spending an average of $8.64. (A net percent of household (or consumer units) which purchased home textiles anytime during the year is not available.)

CONSUMER EXPENDITURES FOR HOME TEXTILES & RELATED PRODUCTS

The detailed BLS Consumer Expenditure Survey reports include information by product on spending patterns by age of household head, or "reference person" and by household income before taxes. In 1986, 41.3% of projected spending on home textiles, not including gifts, was attributed to consumer units with income of $40,000 or more. Consumer units with a reference person in the 35-to-44 age bracket (representing 19.3% of total units) had the biggest share of spending for home textiles--27.5%. This is a relatively affluent group, frequently trading up in housing and life styles.

Curtains and draperies made up the biggest single component (36.7%) of the $7.8 billion spent on home textiles, not including gifts. Bed linens at $2.4 billion ranked second, accounting for 30.1% of estimated total expenditures.

Close to $1.2 billion was spent by consumers for window shades and blinds in 1986 according to the BLS. A quarterly average of 12.8% of the U.S. consumer units made a purchase in this classification.

Consumer Expenditures For Home Textiles & Related Products: 1986

	Estimated Total		% Change	Quarterly Average	
	Mil. $	%	1986/85	% of Consumer Units Purchasing	Amount Spent
Home textiles, incl. gifts	$ 8,394.4	--	+ 6.8%	--	--
Home textiles, excl. gifts	7,824.5	100.0%	+ 7.1	25.59%	$81.55
Bath linens	1,000.2	12.8	+ 3.6	8.87	30.07
Bedroom linens	2,356.6	30.1	- 1.2	10.64	59.02
Kitchen/dining linens	327.2	4.2	+19.0	3.43	25.44
Curtains, draperies	2,868.5	36.7	+19.6	3.99	191.72
Slipcovers	156.5	2.0	- 2.8	0.97	43.04
Sawing materials	1,026.5	13.1	+ 0.3	7.78	35.18
Other linens	89.0	1.1	- 3.7	0.64	37.10
Gifts:					
Blankets, sheets, towels, table linens	569.9	--	+ 2.3	17.59	8.64
Window shades, blinds	1,197.1	--	- 9.6	2.29	84.60

Source: U.S. Bureau of Labor Statistics: Consumer Expenditure Surveys

Percent Distribution of Expenditures for Home Textiles By Income Before Taxes: 1986

	% of Consumer Units Reporting Income	Spending For Honme Textiles By Income Group
Total	100.0%	100.0%
Annual income:		
$40,000 & up	19.9	41.3
30,000 - 39,999	12.6	14.0
20,000 - 29,999	16.7	15.8
15,000 - 19,999	10.2	7.3
10,000 - 14,999	12.5	7.8
5,000 - 9,999	15.9	8.0
Less than $5,000	12.3	5.8

CONSUMER EXPENDITURES FOR HOME TEXTILES & RELATED PRODUCTS

Percent Distribution of Expenditures for Home Textiles By Age of Household (Consumer Units) Head: 1986

	% of Consumer Units	Spending for Home Textiles
Total	100.0%	100.0%
Age of head:		
Under 25 years	9.4	3.9
25 - 34	23.2	18.3
35 - 44	19.3	27.5
45 - 54	13.5	17.6
55 - 64	14.0	17.5
65 - 74	11.5	10.5
75 +	9.0	4.7

Source: Based on BLS Consumer Expenditure Survey: 1986

RETAIL SALES

Mail order selling of home textiles and related products has grown in importance, as coordinated merchandise can be shown to advantage in catalogs. In addition, manufacturers and suppliers are reported to be taking a greater interest in mail order retailers as conventional retail outlets have consolidated.

Sears, Penney and Spiegel are major factors in home textiles mail order business. Sales in 1987 of these and other large mail order operations are estimated as follows by trade sources:

	Sales (Mil. $)
Sears, Roebuck & Co.	$ 200
J.C. Penney	190
Spiegel, Inc.	180
Fingerhut	160
Popular Club Plan	50
New Process Co.	25

Department stores, including Bloomingdale's and Neiman Marcus, have launched mail order operations of their own in home textiles and related products.

Other outlets include the off-price department stores, such as Marshall's and T.J. Maxx; wholesale clubs (Sam's--a division of Walmart, Pace, B.J.'s--a division of Zayre, and Price Club). Two types of mass merchants are important: the upscale, and the lower-priced stores. There are also two types of specialty chains: the super specialty chain, such as R.G. Brandens, a division of Dayton-Hudson, which carries name brand home textiles. Melville Corp.'s Linens'n Things (Clifton, N.J.), with 13 stores and $163 million in sales in 1986, is the largest off-price specialists featuring name brands.

In October 1987 Home Fashions Textiles published information on leading outlets for home textiles. Following are summaries of the largest outlets included in these lists.

RETAIL SALES

Leading Outlets For Home Textiles
(Dollar figures in millions)

	Est. Home Textiles Volume	No. of Branches Carrying Home Textiles	Ownership*	Total Volume
Department Stores:				
Belk Bros., Charlotte, NC	$186	350	Independent	$2,115
Dillard's, Little Rock, AK	104	128	Independent	1,873
Bloomingdale's, New York, NY	81	16	Federated	1,050
Macy's, New York, NY	79.5	22	R.H. Macy	1,500
Macy's, Newark, NJ	78.4	25	R.H. Macy	1,400
Broadway, S. CA, Los Angeles, CA	67	43	Carter, Hawley, Hale	1,050
Macy's, San Francisco, CA	66	23	R.H. Macy	1,300
Mass Merchants:				
Sears, Roebuck, Chicago, IL	1,760	705	Independent	27,074
K mart, Troy, MI	1,385	2200	K mart Corp.	21,308
J.C. Penney, New York, NY	928	1482	Independent	14,740
Wal-Mart, Bentonville, AK	798	980	Independent	10,231
Montgomery Ward, Chicago, IL	306.8	293	Mobile	4,383
Mervyn's, Hayward, CA	286	175	Dayton Hudson	2,862
Specialty Stores:				
Linens'n Things, Clifton, NJ	161.5	131	Melville	163.4
Fortunoff, Wayne, NJ	66	2	Independent	220
Three D, Hartford, CT	45	27	Independent	45
Linen Supermarket, Pembroke Park, FL	41.7	47	Independent	49
The Linen Center, St. Louis, MO	37	36	Brown Group	37

* Ownership as of 1986.

Source: Excerpts from Home Fashions Textiles report (October 1987)

Prices at the retail level for textile housefurnishings, as reported by the U.S. Bureau of Labor Statistics increased 3.0% in 1987 compared with 1986, as the Consumer Price Index reached 109.8 (1982-84=100).

An analysis of over-the-counter retail sales of specific types of home textiles, of window treatments and of related products has been published by HFD, the Weekly Home Furnishings Newspaper, based on information developed in interviews with manufacturers, key retailers, and other industry sources.

Retail sales of major types of home textiles in 1987 were reported at close to $9.3 billion compared with $8.7 billion estimated for 1986. Except for bath mats, floor coverings are not included in these figures. Sales of window treatments other than curtains and draperies (such as shades, venetian blinds, etc.) were estimated at $2.8 billion in 1987, and window treatment hardware at $455 million. Comparable figures for 1986 were not reported.

RETAIL SALES

The HFD report covers a breakdown on sales by distribution channels: department stores; mass merchants; Sears, JC Penney, Montgomery Ward (including outlets and catalogs); specialty stores (including decorator shops, independent retailers, paint and wallcovering stores and home centers); and other (factory outlets, direct mail, variety and hardware stores).

Bed Coverings: Sheets & Pillow Cases, Bed Pillows

Sales of sheets and pillow cases in 1987 were reported at $1.7 billion, about 13% above the 1986 estimate of $1.5 billion. Growing fashion importance of sheet and pillowcase ensemble sales, as well as broadened assortments in satin sheets have played a role in sales gains. According to the Seidman Report, some 40% of all bed sheet sales at retail from August through January are done in flannel, and these have grown in sales share.

Estimated Distribution of Sheet & Pillowcases Retail Sales By Outlet Type: 1986, 1987

	1987	1986
Estimated total	100%	100%
Department stores	27	26
Mass merchants	39	40
Sears, Penney, Ward	21	21
Specialty stores	4	2
Other	9	11

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

Retail sales of bed pillows in 1987 reached $370 million, registering a sharp increase of 51% over the 1986 estimate of $245 million. Mass merchants' share rose from 24% to 33% due (according to an industry source) to demand for crushed and whole feather pillows, as consumers in general turned to natural products. However, a report on retail sales of bed pillows by Eastman Fibers Market Research showed polyester fiberfill accounting for 70% of sales; foam latex, 4%; other fills, 26% (Home Fashions Textiles, June 15, 1987).

Estimated Distribution of Bed Pillow Retail Sales By Outlet Type: 1986, 1987

	1987	1986
Estimated total	100%	100%
Department stores	27	28
Mass merchants	33	24
Sears, Penney, Ward	26	27
Specialty stores	12	12
Other	2	9

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

RETAIL SALES

Bed Coverings: Mattress Pads

Estimated retail sales of mattress pads, at $343 million in 1987, were up about 14% over the 1986 estimate of $300 million. Foam mattress pad sales were reported at $35-to-$45 million. Sales of wool fleece pads were estimated at $30 million. A new product, electric mattress pads, not reported in 1986, reached a total of $18 million last year, according to trade sources.

Estimated Distribution of Mattress Pads By Outlet Type: 1986, 1987

	Non Electric		Electric
	1987	1986	1987
Estimated total	100%	100%	100%
Department stores	25	30	15
Mass merchants	32	30	45
Sears, Penney, Ward	31	27	35
Specialty stores	10	10	5
Other	2	--	--

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

Blankets

Not including throws or lap blankets (a growing category, as previously noted in the section on PRODUCT SHIPMENTS), retail sales of blankets were estimated at $315 million in 1987 by HFD, compared with $300 million in 1986. Sales of electic blankets, as noted, have been on the decline. The 1987 total was reported at $172 million vs. $200 million estimated by 1986.

Estimated Distribution of Blankets By Outlet Type: 1986, 1987

	Regular Blankets		Electric Blankets	
	1987	1986	1987	1986
Estimated total	100%	100%	100%	100%
Department stores	19	20	14	15
Mass merchants	38	40	37	35
Sears, Penney, Ward	20	15	35	40
Specialty stores	19	5	10	5
Other	20	20	4	5

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

RETAIL SALES

Bed Coverings: Bedspreads, Comforters

The tug-of war between bedspreads and comforters for the attention of customers continues, but retailers are meeting demand through the promotion of bed ensembles, which include coordinated spreads, comforters and accessories such as shams and bed skirts. In a survey of 29 mass merchants and department stores representing more than 1,730 retail outlets, conducted by Home Fashions Textiles most saw substantial increases in bed ensemble sales in the first half of 1987 (HFT, September 1987).

All surveyed department stores reported gains, with an average increase of 13.5%. Increases in accessory sales were reported by 80% of the stores surveyed, with an average rise of 11.6%. Among mass merchants, 85% reported increases in bed ensembles, for an average of 11%, and accessory sales among these stores were up an average of 13%.

Department stores are more likely to merchandise comforter ensembles in sets than are mass merchants, according to the HFT study. All surveyed department stores offered at least some comforter sets, but only half of the mass merchants were doing this. On average, comforter sets comprise about a third of a department store comforter assortment, and about 13% among mass merchants that do offer them.

In the typical department store reporting sales of bed ensembles in the HFT study covering the first half of 1987, bedspreads accounted for 25% of unit sales of ensembles, comforters 51%, accessories 24%; in mass merchants, comforters represented 52.5%, bedspreads 27%; and accessories 20.5%.

Retail sales of bedspreads were estimated at $523 million compared with $508 million in 1986, according to HFD. This source estimated retail sales of comforters at $743 million in 1987, up from $708 million in 1986. Sales share by outlet type was reported as follows:

Estimated Distribution of Bedspread and Comforter Sales By Outlet Type: 1986, 1987

	Bedspreads		Comforters	
	1987	1986	1987	1986
Estimated total	100%	100%	100%	100%
Department stores	16	20	22	26
Mass merchants	25	25	32	30
Sears, Penney, Ward	50	47	33	28
Specialty stores	8	7	11	10
Other	1	1	2	6

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

Bed Coverings: Bedspreads, Comforters (continued)

In the KSA Perspective, Soft Goods Outlook for 1988 (December 1987), Kurt Salmon Associates reported that in 1987 25% of the units of sheets and pillowcases were sold at regular price vs. 19% in 1986. Comparable estimates for bedspreads and blankets were 38% in 1987, 36% in 1986. The trend in retail sales was reported as follows:

Year-to-Year % Changes in Units Purhcased by Consumers

	Actual		Estimated*	Projected
	1985/84	1986/85	1987/86	1988/87
Sheets & pillowcases	+ 2%	-0-	-0-	+ 1%
Bedspreads, blankets	+ 1	+ 6%	+ 3%	-0-

* Estimates based on reports from a nationally representative panel of over 19,500 households (The KSA/NPD Purchase Panel) in the first three quarters of each year.

Source: Kurt Salmon Associates: The KSA Perspective (Dec. 1987)

The June 15, 1987, issue of Home Fashions Textiles included information issued by Eastman Fibers Market Research on 1986 retail sales of comforters by shell fiber. Of total units, blends of 50% polyester/50% cotton accounted for 35%; 100% polyester fiber shells accounted for 19%; blends of 65% polyester/35% cotton, 10%. Other poly/cotton blend shells had a 13% share of unit sales; 100% cotton, 17%; other blends and fibers, 6%.

Decorative Pillows, Chair Pads

In the analysis of retail sales of specific home products by HFD (The Weekly Home Furnishings Newspaper), strong consumer demand was reported for larger pillows, fluffier chair pads, and more embellished styling. Uses for decorative pillows have grown from the living room couch to the floor, for the bedroom, and especially for the TV room. This has led to diversification in styling and sizes of pillows. In chair pads, high styling, ruffles and bold prints have added new fashion importance.

Retail sales of decorative pillows were estimated by HFD at $168 million in 1987, up from $160 million in 1986, based on reports from trade sources. Chair pad retail sales were esitmated at $62 million in 1987 compared with $60 million in 1986. Sales shares by outlet type were reported as follows:

Decorative Pillows, Chair Pads (continued)

Estimated Distribution of Bedspread and Comforter Sales By Outlet Type: 1986, 1987

	Decorative Pillows		Chair Pads	
	1987	1986	1987	1986
Estimated total	100%	100%	100%	100%
Department stores	25	30	8	8
Mass merchants	42	35	62	60
Sears, Penney, Ward	14	15	19	29
Specialty stores	16	15	7	3
Other	3	5	4	0

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1987)

Decorative Pillow Sales By Category

	Department Stores	Mass Merchandisers
Solid basics	55%	48%
Accessories	20	26
Wovens	14	16
Prints	11	10

Source: Home Fashions Textiles, (January 1987)

Window Coverings & Related Products: Curtains & Draperies

While alternative window treatment products are gaining in popularity, and have an edge in the market for door treatments and special effects in new homes, there has been an increase in retail sales of curtains and draperies. Sales of curtains in 1987 were esitmated at $705 million in 1987 by HFD, up from $690 million in 1986. Drapery sales amounted to some $774 million last year compared with $762 million in 1986.

Consumer preferences have been turning toward soft looks. This has been encouraged by the wide variety of layered top treatments now offered to consumers. (Alternative window treatment marketers are reacting to the trend by offering more fabrics and softness in their designs.)

Kurt Salmon Associates has anticipated an increase of 2% in unit purchases of curtains and draperies in 1988 compared with 1987.

Trends in Consumer Purchases of Curtains & Draperies (Year-to-Year % Changes in Units)

Actual		Estimated	
1985/84	1986/85	1987/86	1988/87
- 9%	- 3%	+ 6%	+ 2%

Source: The KSA Perspective, Kurt Salmon Associates (December 1987)

Window Coverings & Related Products: Curatins & Draperies (continued)

Estimated Distribution of Curtain and Drapery Sales By Outlet Type: 1986, 1987

	Curtains		Bedspreads	
	1987	1986	1987	1986
Estimated total	100%	100%	100%	100%
Department stores	5	9	7	9
Mass merchants	35	36	21	21
Sears, Penney, Ward	47	43	62	60
Specialty stores	10	9	9	8
Other	3	3	1	2

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

According to Eastman Fibers Market Research (Home Fashions Textiles, June 15, 1987) in 1986 92% of all curtains sold were made of polyester or polyester blends; in draperies, more than 70% contained polyester.

An analysis of how curtains and drapery deparmtent sales are divided, based on a survey on the first half of 1987 among department stores and mass merchants, was made by Home Fashions Textiles.

Percent of Unit Sales By Catetory

Category:	Department Stores	Mass Merchants
Draperies	34%	14%
Shades	7	--
Panels	20	36
Curtains	39	50
Draperies		
Antique satin & textures	60	69
Casements	11	4
Sheers	11	6
Jacquards	3	10
Prints	3	11
Top treatments	12	--
Curtains		
Priscillas	64	36
Tiers	36	64

Source: Home Fashion Textiles (October 1987)

RETAIL SALES

Window Coverings: Alternative Types & Related Products

While mini blinds remain an industry staple, sales of newer types of horizontal and vertical blinds and pleated shades in a wide variety of fabrications are registering growth in consumer demand. HFD (The Weekly Trade Newspaper) has estimated sales of aluminum mini blinds at $1 billion in 1987. Included in this figure are micro blind sales estimated at about $120 million, or 8.5% of the mini blind market. Stock vinyl mini blind sales were estimated at $400 million, bringing the 1987 estimated sales of mini blinds to $1.4 billion in 1987 compared with $1.3 billion in 1986. Sales of the traditional 2-inch blinds were estimated at $20 million in 1987.

According to Home Fashions Textiles (January 1987), sales of blinds by type were as follows:

	Percent
Vertical blinds:	
Fabric	53%
PVC	28
Aluminum	19

Trade sources reporting in HFD's survey of major retailers and suppliers placed the retail volume of custom verticals at $695 million last year, and sales of stock products at $75 million. The $770 million total in 1987 represents a gain of 23% over the 1986 sales estimate amounting to $625 million.

Pleated shade sales more than doubled from 1986 through 1987, according to trade sources. Retail sales in 1987 were estimated at $300 million vs. $145 million in 1986, with growth sparked by the fashion importance of the soft look. Duette, the honey-combed shade with hidden cords garnered an estimated 40% share of the pleated shade market.

In roller shades, custom represented $100 million in sales, compared to $180 million for stock shades, according to the HFD estimates. Sales of woven woods declined from about $81 million in 1986 to $55 million in 1987. Sales of hardware for window treatments were estimated at $455 million in 1987.

Estimated Retail Sales of Alternative Window Treatments & Related Products: 1986, 1987
(Millions of dollars)

Product	1987	1986
Hardware	$ 455	nr
Mini blinds	1,400	$1,300
Pleated shades	300	145
Roller shades	280	nr
Verticals	770	625
Woven woods	55	81

nr not reported

Source: Home Textiles '87, An HFD Special Section
(Feb. 1, 1988)

Window Coverings: Alternative Types & Related Products (continued)

Estimated Distribution of Retail Sales of Alternative Window Treatment Products & Hardware, By Type of Retail Outlet: 1986, 1987

	Mini Blinds		Verticals	
	1987	1986	1987	1986
Estimated total	100%	100%	100%	100%
Department stores	5	3	10	4
Mass merchants	30	23	15	6
Sears, Penney, Ward	30	28	15	20
Specialty stores	32	36	20	20
Other	3	10	3	10

	Pleated Shades		Roller Shades	
	1987	1986	1987	1986*
Estimated total	100%	100%	100%	
Department stores	8	4	9	
Mass merchants	3	5	23	
Sears, Penney, Ward	17	12	29	
Specialty stores	70	72	38	
Other	2	7	1	

	Woven Woods		Hardware	
	1987	1986	1987	1986*
Estimated total	100%	100%	100%	
Department stores	4	3	12	
Mass merchants	31	22	30	
Sears, Penney, Ward	24	25	27	
Specialty stores	37	40	26	
Other	4	10	5	

* Comparable figures not available.

Source: Home Textiles '87, An HFD Special Section
(Feb. 1, 1988)

The May 1988 issue of Home Fashions Magazine includes a special section on Drapery Hardware: rod types and sizes, accessories, etc. Included are figures on rod types sold in major outlet types. In mass merchants, of total rod sales, regular curtain rods accounted for the biggest share--37%, and were the fastest growing type. In department stores, plain traverse rods had the biggest share of sales within the rod/accessories category (25%). Home centers did their biggest business in accessories (22%), followed by cafe rods (17% of the category total).

RETAIL SALES

Bath Products

Trends in purchases of towels and washcloths by consumers have been reported as follows by Kurt Salmon Associates. The outlook for 1988 unit purchases was flat compared with 1987.

Trends in Consumer Purchases of Towels & Washcloths
(Year-to-Year % Changes in Units)

Actual		Estimated	
1985/84	1986/85	1987/86	1988/87
+ 3%	- 2%	+ 8%	-0-

Source: The KSA Perspective, Kurt Salmon Associates
(December 1987)

The Special Section on Home Textiles '87 issued by HFD (Feb. 1, 1988) reported the following sales information:

Estimated Retail Sales: 1986, 1987
(Millions of dollars)

	1987	1986
Total	$2,646	$2,495
Bath accessories	138	128
Bath towels	1,500	1,400
Beach towels	207	200
Embellished towels	63	60
Shower curtains	365	350
Bath rugs	373	357

Source: Home Textiles '87, an HFD Special Section
(February 1, 1988)

Distribution of Dollar Sales By Type of Retail Outlet

	Bath Accessories		Bath Towels		Beach Towels	
	1987	1986	1987	1986	1987	1986
Total sales	100%	100%	100%	100%	100%	100%
Department stores	35	45	23	25	25	25
Mass merchants	24	20	30	30	30	30
Sears, Penney, Ward	19	15	22	22	22	22
Specialty stores	17	13	7	5	5	5
Other	5	7	18	18	18	18

(continued)

Bath Products

Distribution of Dollar Sales By Type of Retail Outlet
(continued)

	Embellished Towels		Shower Curtains		Bath Rugs	
	1987	1986	1987	1986	1987	1986
Total sales	100%	100%	100%	100%	100%	100%
Department stores	55	60	16	19	16	17
Mass merchants	10	15	38	30	37	32
Sears, Penney, Ward	12	10	30	40	24	35
Specialty stores	22	15	14	15	17	11
Other	1	--	2	--	6	5

Source: Home Textiles '87, an HFD Special Section
(February 1, 1988)

Table Linens, Kitchen Textiles

Over-the-counter retail sales of table linens were estimated at $560 million in 1987, and it was noted that this category lags far behind other domestics in terms of retail turnover. Sales in 1986 were estimated at between $500 and $550 million.

Based on reports from leading sources of information in the industry, HFD compiled the following estimates on distribution of dollar volume in table linens by type of retail outlet.

Distribution of Retail Sales of Table Linens; 1986, 1987

	1987	1986
Total sales	100%	100%
Department stores	28	30
Mass merchants	35	33
Sears, Penney, Ward	20	19
Specialty stores	15	14
Other	2	4

Source: Home Textiles '87, an HFD Special Section
(Feb. 1, 1988)

In an analysis of unit sales of table linens by type in department stores and in mass merchants, published in Home Fashions Magazine (November 1987), within the former tablecloths were estimated at 60% of sales, placemats 25%, napkins and accessories 15%. In mass merchants' linen departments, tablecloths averaged 45% of unit sales, placements 44%, napkins and accessories 11%.

There was considerable difference in the relative importance of the various types of tablecloths and placements sold in each of these outlet types. Placements were reported to becoming more commonplace in department stores, according to a Home Fashions survey of top volume stores. However, in general, mass merchants do not carry sets. Eight piece sets are carried in 48% of department stores, accounting for about 12% of their placement business.

RETAIL SALES

Table Linens, Kitchen Textiles (continued)

Tablecloth & Placemat Sales By Category
(Percent of units)

Tablecloths			Placemats		
Type	Department Stores	Mass Merchants	Type	Department Stores	Mass Merchants
Woven	11%	9%	Fabric	51%	37%
Lace	15	8	Vinyl	19	47
Vinyl	12	48	Woven	14	9
Formals	20	4	Straw	4	3
Solids	34	28	Sets	12	4
Prints	8	3			

Source: Home Fashions Magazine, (November 1987)

RETAILER OPERATING RESULTS

Department Stores

Selected Merchandising & Operating Results of Linens & Coverings
In Department Stores with Sales over $2 Million, 1986
(Median results)

	Linens & Domestics (58*)	Window & Furniture Coverings (51*)
Net sales, % change from last year	+ 7.5	+ 1.7
Sales, % to total store	2.9	1.0
Gross margin, % of sales (including cash discounts)	39.3	39.2
Markdowns, % to sales	14.7	12.4
Advertising expense, % to sales	4.4	3.0
Number of stock turns (times)	1.8	1.6
$ sales per sq. ft. of selling space (main or largest selling unit)	70.0	56.0

* Number of reporting companies.

Source: National Retail Merchants Association:
Merchandising & Operating Results of 1986

RETAIL ADVERTISING

Newspaper Ad [illegible]

Percent of Year's Total Lineage Each Month: 1986

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Bedsheets	8.2%	6.8	6.8	6.0	8.6	11.6	7.0	9.8	8.5	6.4	8.6	11.7	100%
Sheets	7.9	6.5	6.3	9.1	5.6	10.2	5.9	9.1	7.0	9.7	9.5	13.2	100
Towels	7.2	6.5	6.4	8.2	5.3	10.6	7.2	9.0	7.7	9.4	9.4	13.1	100

Source: Newspaper Advertising Bureau Inc., 1988 Newspaper Advertising Planbook; ACB 1986

CONSUMER BUYING PRACTICES

Information on purchases of specified home textiles in 1987 compared with 1982 has been supplied by KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group. The information is based on the findings from an on-going monthly panel tracking the purchases of 11,500 nationally representative families.

Purchases of Bedsheets, Pillowcases & Towels
Units & Dollars: 1982, 1987

	Units (millions)			Dollars (millions)		
	1987	1982	% Change	1987	1982	% Change
Bed sheets, pillowcases, total	284	270.5	+ 5.0	$1,576.8	$1,421.5	+10.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	
% of total						
Single/twin	28.3	27.2		23.3	22.8	
Double/full	22.8	25.1		23.4	28.5	
Queen	17.8	14.3		24.6	22.5	
King	10.7	6.8		14.9	12.5	
Other bedsheets	1.0	26.3		12.7	13.3	
Pillowcases	19.4	26.3		12.7	13.3	
Towels, total	757.0	755.3	+ 0.2%	$1,526.4	$1,501.6	+ 1.7%
	100.0%	100.0%		100.0%	100.0%	
% of total						
Bath	32.0	31.4		55.0	55.4	
Washcloths	28.8	28.9		12.4	13.3	
Face/hand	13.0	15.9		15.6	16.1	
Kitchen	23.3	20.5		14.4	12.6	
Other (incl. guest)	2.9	3.3		2.6	2.6	

Source: KSA/NPD Purchase Panel

CONSUMER BUYING PRACTICES

In an overview of consumer preferences in home textiles, by Seymour Seidman (The Seidman Report, HFD Nov. 23, 1987), based on purchases in the past year, in general the trend was to bigger sizes (sheets and towels), with a preference for percale and for loop (regular terry) towels, not sheared.

Percale was reported to account for about 70% of all U.S. sheet shipments in dollars, and the 200-thread-count percale had gained the most, representing close to 12% of dollar sales. Queen and king sizes have grown in demand as noted in the above table, now accounting for about 40% of purchases. When shoppers purchase sheets, according to Seidman, 60% buy prints and lace trim types, 15% buy all white, 25% buy solid colors.

In buying towels, shoppers are reported to be buying 78% in regular terry and 22% sheared. In 1980, shears had a larger share (42% of mill shipments). Solid colors and whites represent almost 80% of towel purchases in dollars. Towel customers are favoring bigger sizes, such as 30 by 60 and larger. These are reported to be accounting for almost 10% of towel shipments.

In buying blankets, Seidman reported that shoppers nationally favored champagne and blue, and are turning more to natural fibers. Cotton and wool were reported to represent about 30% of dollar spending on bed blankets, up from 20% in the early 1980s.

The trend to coordination and to ensemble selling has been a factor in rapidly changing consumer preferences away from basics in all types of home textiles and related goods.

Based on a trade survey conducted in 1985 on consumer purchases of window treatments, the distribution of consumer purchases of window treatments was projected as follows:

Percent of U.S. Households Purchasing Window Treatments By Product Type: 1985

	Percent
Total households purchasing window treatments	100.0%
Draperies	22.7
Ready-made	17.9
Made-to-measure	2.1
Custom-made	2.4
Blinds	27.8
Curtains	22.2
Sheers	9.2
Shades	9.3
Other	7.7

Note: Columns add to more than totals shown as some households purchases more than one type of window treatment.

CONSUMER BUYING PRACTICES

Expenditures by households in 1985 by type of window treatment were divided as follows, according to the trade survey:

Percent of U.S. Household Expenditures Window Treatments By Product Type: 1985

	Percent
Total purchases of window treatments	100.0%
Draperies	35.0
Ready-made	21.0
Other (made-to-measure, custom-made)	14.0
Curtains	14.0
Blinds	34.0
Sheers	5.0
Shades	6.0
Other	6.0

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels. It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available 1986.)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers the market for products designed for the active sports participant, as well as athleisure activities and active apparel. Covers growth trends in specific sports and related products, including footwear and apparel, and developments in the fitness market.

SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible. (Latest edition available 1985).

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

TOILETRIES, COSMETICS, FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry statitistics, at the manufacturing and retail levels. The quantity and value of manufacturers' shipments, leading manufacturers, advertising expenditures are covered, as well as information on retail sales by product, consumer buying habits and price trends.

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR, RAINWEAR, AND FURS: Data for the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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Men's Sportswear, Casual Wear, Outerwear

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MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR

Market Trends

U.S. manufacturers registered a gain of less than 3% in the value of shipments of major classifications of men's sportswear/casual wear last year. Higher prices due to rising costs of materials and labor, as well as trading up, helped some categories register relatively strong dollar gains, while units were down. Meanwhile, the value of imports of reported sportswear/casual wear rose almost 23%, with much of this rise due to higher prices attributed to the cheaper dollar, to rising costs and to developments resulting from quota restrictions.

Lifestyle patterns in the U.S. continue to favor sportswear/casual wear over other types of men's clothing; but retail sales of all types of men's wear have slowed down in recent months due to consumer price resistance and lack of fashion newness. As apparel inflation continues, real gains in sales in coming months will be difficult. Industry analysts Kurt Salmon Associates project little growth in unit purchases of men's sportswear this year, with the outlook best for activewear, in which a 7% gain is anticipated.

Within the major classification, however, are some strong performances at the retail level. Dollar sales of men's woven sport shirts were reported to be up over 20% in 1987 compared with 1986; knit shirts gained about 10%. In the active category, fleece did well, with sweat shirt purchases up 58%.

The strong polarizations of tailored clothing and sportswear within the manufacturing industry has been breaking down in reaction to consumer market trends. Buyers and customers are accepting tailored sportswear as an alternative to traditional clothing, while the wearing of casual wear instead of tailored wear continues as a major trend. Contemporary designers are getting into the more traditional clothing market and some retailers are merchandising separates as suits.

Designers such as Ralph Lauren and Calvin Klein see room for growth in the sportswear market. Liz Claiborne introduced a sportswear line for men in 1985. These designers and retailers are counting on women, who have always purchased at least half of all men's clothing, to buy their menswear lines as well as their women's apparel. However, with more women in the work force, other strategies are also being used, such as grouping separate sportswear items and accessories into outfits or ensembles, and designing contemporary, and upbeat interiors.

Department and specialty stores have been losing market share to chain discounters, off-price, mail order, factory outlets and sporting goods stores. The Gap and its Banana Republic division have already achieved success in their business by targeting younger baby boomers. The Limited now offers mens sportswear in their Express Man stores after noticing that men were buying large sized women's sweaters. According to the Wall Street Journal, Bigsby & Kruthers, a Chicago retailer that caters to executives, decided to open a separate sportswear store after its sweater sales surged to 300% in a week. To capitalize on the growing demand for sportswear, Hartmarx's retail division introduced an extensive line of upper moderately priced sportswear under its proprietary Austin Reed of Regent Street label this fall. Young men in the 17 to 20 age bracket are most receptive to trendy sportswear styles.

MARKET TRENDS

Biking wear (in bright primary colors) has inspired activewear by becoming a fashion statement; the way tennis and swimming apparel did in the past, with durability and freedom of movement important factors.

In outerwear, leather is in short supply and prices are up. Distressed skins with a work and rugged appearance are leading the way. Reversible leather jackets in lighter weights are lined in linen or cotton. Bombers remain popular while motorcycle and military styles are taking off.

Stores are taking a stronger position in private label, in order to generate a quality product in their own fashion colors and styles. As branded merchandise is increasingly sold in numerous other outlets and at a discount by off-price retailers, private label gives the store opportunities to have a distinctive image.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all U.S. manufacturers is compiled every five years by the U.S. Bureau of the Census. Data included in this Fact File from the latest census of manufactures covering plants in operation in 1982 which had one or more employees. Where available, 1982 data is supplemented by comparable findings from the 1985 and 1986 annual surveys of manufactures. The annual surveys are conducted by the Census Bureau among a sample of manufacturers to provide key measurements of manufacturing activity during intercensal periods.

Men's sportswear/casual wear is not a distinct, separately reported industry. Merchandise of this type is combined in several industry classifications under the Standard Industrial Classification system, on which the following tables are based. The sections on PRODUCTION and on PRODUCT SHIPMENTS cover available data on specific product classifications.

Men's & Boys' Shirts & Nightwear (SIC 2321*)

	1986	1985	1982	% Change 1986/85
Number of companies	na	na	535	--
Number of establishments**	na	628	741	--
With 20 or more employees	na	484	560	--
Total employment (thous.)	74.8	80.1	88.7	- 6.6%
Production workers (thous.)	65.8	69.1	76.0	- 4.8
Payroll (mil. $)	$ 811.9	$ 823.5	$ 819.0	- 1.4
Value added by manufacture (mil. $)#	$1,909.7	$1,824.6	$1,785.5	+ 4.7
Value of industry shipments (mil. $)##	$3,795.4	$3,673.8	$3,477.7	+ 3.3
Capital expenditures, new (mil. $)	$ 59.7	$ 45.5	$ 37.2	+ 31.2
New machinery & equipment	$ 47.0	$ 37.0	$ 29.6	+ 27.0

Men's & Boys' Separate Trousers (SIC 2327*)

	1986	1985	1982	% Change 1986/85
Number of companies	na	na	269	--
Number of establishments**	na	306	356	--
With 20 or more employees	na	226	268	--
Total employment (thous.)	45.6	49.7	56.9	- 8.3%
Production workers (thous.)	38.6	42.5	49.4	- 9.2
Payroll (mil. $)	$ 558.9	$ 592.3	$ 564.9	- 5.6
Value added by manufacture (mil. $)#	$1,052.0	$1,122.4	$1,111.2	- 6.3
Value of industry shipments (mil. $)##	$2,175.4	$2,234.9	$2,165.4	- 2.7
Capital expenditures, new (mil. $)	$ 17.6	$ 32.2	$ 35.7	- 45.3
New machinery & equipment	$ 13.9	$ 26.2	$ 30.6	- 47.0

GENERAL INDUSTRY STATISTICS

Men's & Boys' Clothing, n.e.c. (SIC 2329*)
(Primarily Sportswear/Outerwear)

	1986	1985	1982	% Change 1986/85
Number of companies	na	na	575	--
Number of establishments**	na	553	646	--
With 20 or more employees	na	359	386	--
Total employment (thous.)	43.5	42.2	44.6	- 3.1%
Production workers (thous.)	37.5	36.2	38.6	- 3.6
Payroll (mil. $)	$ 497.2	$ 455.7	$ 432.8	+ 9.1
Value added by manufacture (mil. $)#	$1,136.3	$1,021.1	$ 931.3	+ 11.3
Value of industry shipments (mil. $)##	$1,910.0	$1,727.9	$1,658.3	+ 10.5
Capital expenditures, new (mil. $)	$ 27.5	$ 24.5	$ 18.3	- 12.2
New machinery & equipment	$ 19.0	$ 18.0	$ 14.0	+ 5.6

Knit Outerwear Mills (SIC 2253*)
(Including Men's, Women's, Children's)

	1986	1985	1982	% Change 1986/85
Number of companies	na	na	893	--
Number of establishments**	na	843	923	--
With 20 or more employees	na	472	482	--
Total employment (thous.)	60.4	62.7	66.8	- 3.7%
Production workers (thous.)	51.4	52.9	55.9	- 2.8
Payroll (mil. $)	$ 824.9	$ 830.2	$ 741.4	- 0.6
Value added by manufacture (mil. $)#	$1,695.3	$1,675.4	$1,704.8	+ 1.2
Value of industry shipments (mil. $)##	$3,447.2	$3,604.3	$3,182.4	- 4.4
Capital expenditures, new (mil. $)	$ 85.6	$ 86.5	$ 53.5	- 1.0
New Machinery & equipment	$ 70.4	$ 65.9	$ 44.1	+ 6.8

Leather & Sheep-Lined Clothing (SIC 2386*)
(Including Men's, Women's, Children's)

	1986	1985	1982	% Change 1986/85
Number of companies	na	na	186	--
Number of establishments**	na	152	186	--
With 20 or more employees	na	41	52	--
Total employment (thous.)	1.7	2.0	4.3	- 15.0%
Production workers (thous.)	1.3	1.5	3.6	- 13.3
Payroll (mil. $)	$ 29.8	$ 31.0	$ 48.9	- 3.9
Value added by manufacture (mil. $)#	$ 56.0	$ 58.3	$ 95.7	- 4.0
Value of industry shipments (mil. $)##	$ 161.4	$ 164.3	$ 221.3	- 1.8
Capital expenditures, new (mil. $)	$ 0.4	$ 0.8	$ 0.9	- 50.0
New machinery & equipment	$ 0.2	$ 0.6	$ 0.6	- 66.7

(footnotes continued)

GENERAL INDUSTRY STATISTICS

na not available
n.e.c. not elsewhere classified

* Manufacturing establishments (plants) are classified by industry under the Standard Industrial Classification System (SIC), determined by the principal product made, as shown below:

SIC 2329 covers plants specializing in the production of men's and boys' heavy outerwear coats and jackets, swimwear and athletic shorts, ski and snow pants and other outerwear not elsewhere classified made in cut-and-sew plants.

SIC 2253 covers mills primarily engaged in knitting outerwear (men's, women's, children's) from yarn or in manufacturing outerwear from knit fabric produced in the same mill.

SIC 2386 covers plants primarily engaged in manufacturing leather and sheep-lined garments for men, boys, women and children.

SIC 2321 covers plants primarily engaged in the manufacture of men's, youths' and boys' shirts (including dress, polo and sport shirts, but not including work shirts) and nightwear cut and sewn from purchased woven or knit fabric.

SIC 2327 covers establishments primarily engaged in the manufacture of men's, youths' and boys' separate trousers and slacks. (Effective 1987, this SIC code was changed to 2325; however, 2327 will continue to be used for all data prior to 1987.)

**Each manufacturing location is counted as a separate establishment (plant). Auxiliary locations (such as sales offices, warehouses, etc.) are not included in the above tables. Data on number of establishments in 1985 are from the Census Bureau's County Business Patterns.

#Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of shipment figures which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

##Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The value of primary products alone of these industries, plus the value of shipments of such products by manufacturers classified in other industries (called PRODUCT SHIPMENTS), is covered on pages 15 and 16.

Source: U.S. Bureau of the Census:
1986, 1985 Annual Survey of Manufactures;
1982 Census of Manufactures

GENERAL INDUSTRY STATISTICS

Trends and forecasts on specific industries are compiled annually by the International Trade Administration, including information on the value of industry shipments on a constant dollar basis (eliminating the effects of inflation) as well as in current dollars, based on the Census Bureau reports.

Following are growth rates reported for the men's and boys' shirts, nightwear and separate trouser industries, in terms of constant 1982 dollars.

Percent Change in Value of Industry Shipments
In 1982 Dollars

	Compound Annual Rate of Change		Annual	
	1972-1985	1980-1985	1985-1986	1986-1987
Industry (men's & boys)				
Shirts & Nightwear	- 1.0%	- 1.2%	- 3.4%	- 4.8%
Trousers	- 3.1	- 1.0	+ 0.6	+ 1.6

Source: U.S. Department of Commerce, International Trade Administration: 1988 U.S. Industrial Outlook

Employment & Earnings

Current information on employment, compiled by the Bureau of Labor Statistics, U.S. Department of Labor, covers broad classifications of men's and boys' wear; specific data on sportswear/casual wear is not available. However, the broad trends are indicative of developments in this category.

An analysis of BLS data by the International Trade Commission (1988 U.S. Industrial Outlook) showed employment in the men's shirt & nightwear industry declining at a compound annual rate of 2.6% in the 1972-1985 period, and at a 7.1% rate from 1980-1985. Comparable declines in the men's & boys' trouser industry were 4.6% and 5.0% respectively.

As noted on the following page, employment as of April 1987 in the shirts & nightwear industry was down slightly from the year-ago level, while in the separate trousers industry employment gained 2.2%.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Employment & Earnings in Men's Sportswear/Casual Wear Manufacturing

	April Averages			Annual Averages		
	1988	1987	% Change 1988/87	1986	1985	% Change 1986/85
Men's & boys' shirts & nightwear (SIC 2321)						
All employees (thous.)	85.4	86.0	- 0.7%	85.9	84.5	+ 1.7%
Production workers (thous.)	73.2	73.8	- 0.8	74.2	73.1	+ 1.4
Average weekly earnings	$200.37	$192.19	+ 4.6	$192.10	$182.81	+ 5.1
Average hourly earnings	$ 5.43	$ 5.28	+ 2.8	$ 5.15	$ 5.05	+ 2.0
Average weekly hours	36.9	36.4	+ 1.4	37.3	36.2	+ 3.0
Men's & boys' separate trousers (SIC 2327)						
All employees (thous.)	50.2	49.1	+ 2.2	56.0	57.5	- 2.6
Production workers (thous.)	43.7	43.0	+ 1.6	49.1	50.4	- 2.6
Average weekly earnings	$195.48	$189.02	+ 3.4	$192.88	$191.33	+ 0.8
Average hourly earnings	$ 5.40	$ 5.37	+ 0.6	$ 5.27	$ 5.30	- 0.6
Average weekly hours	36.2	35.2	+ 2.8	36.6	36.1	+ 1.4
Knit outerwear mills (SIC 2253)						
All employees (thous.)	68.8	71.0	- 3.1	69.7	63.6	+ 9.6
Production workers (thous.)	61.6	63.0	- 2.2	61.1	55.5	+ 9.7
Average weekly earnings	$247.79	$247.54	+ 0.1	$243.84	$228.46	+ 6.7
Average hourly earnings	$ 6.37	$ 6.48	- 1.7	$ 6.35	$ 6.06	+ 4.8
Average weekly hours	38.9	38.2	+ 1.8	38.4	37.7	+ 1.9

Source: U.S. Bureau of Labor Statistics:
Employment and Earnings

GENERAL INDUSTRY STATISTICS

Plant Capacity Utilization

Measures of plant capacity utilization as of the fourth quarter are issued annually for specific industries by the Census Bureau. The latest report covering fourth quarter 1986 (issued November 1987) indicated a gain in utilization rates in industries relating to men's sportswear, particularly in knit outerwear mills, reflecting the demand for fleece activewear.

The preferred level of capacity utilization is defined as a level, normally between actual operations and practical capacity, which the manufacturer would prefer not to exceed due to costs or other considerations. The preferred utilization rate reported below is the ratio of the actual level of operations to the preferred level.

Preferred Capacity Utilization Rates: Fourth Quarter 1983 - 1986

	1986	1985	1984	1983
Men's/Boys' Clothing n.e.c. (SIC 2329)	87	83	na	87
Knit Outerwear Mills (SIC 2253)	95	93	73	76
Leather & Sheep Lined Clothing (SIC 2386)	75	na	54	na
Men/Boys' Shirts & Nightwear (SIC 2321)	90	na	na	89
Men/Boys' Separate Trousers (SIC 2327)	84	na	na	81

Source: U.S. Bureau of the Census:
Current Industrial Reports: Survey of Plant Capacity, 1986
MC-C1(86)1

Concentration in the Industry

According to Sales and Marketing Management's latest industry survey, a total of 539 plants manufacturing men's and boy's shirts had receipts of $2,657.8 million in 1987. Large plants with 100 or more employees represented only 39.0% of total plants but accounted for 87% of industry shipments-reflected the consolidation that has taken place in the last few years.

Large Plants (Employers) and Their Share of
Men's & Boy's Apparel Industry Shipments: 1987

		Number of Plants			Industry Shipments	
SIC	Industry	Total	With 100+ Employees	% of Total	Total	% By Large Plants*
2321	Mens/boys shirts	539	210	39.0%	$2,557.8	87%
2325/7	Mens/boys trousers and slacks	472	310	65.7	3,867.6	94
2329	Mens/boys clothing nec	870	211	24.3	1,888.9	75
2386	Leather & sheep-lined clothing	115	10	8.7	286.0	51
2253	Knit outerwear mills	690	170	24.6	3,189.5	79

* Plants with 100+ employees

Source: Sales & Marketing Management Magazine:
"Survey of Industrial Buying Power"
April 1988. All rights reserved.

Concentration in the Industry (continued)

While the value of industry shipments is concentrated among large plants, there are many small apparel factories making specialized products. These smaller plants are able to fill market niches, and to some extent become more important as large companies merge and consolidate their operations.

The Census Bureau's County Business Patterns covers information on number of plants by employment size in specific industries.

Number of Men's & Boys' Sportswear/Casual Wear Manufacturing Establishments By Employment Size, 1985

	Men's & Boys' Shirts & Nightwear (SIC 2321)		Men's & Boys' Separate Trousers (SIC 2325/7)		Men's & Boys' Clothing, n.e.c. (SIC 2329)	
	No.	%	No.	%	No.	%
Total establishments	628	100.0	306	100.0	553	100.0
Number of employees:						
Under 10 employees	85	13.5	58	18.9	138	25.0
10-49 employees	151	24.0	52	17.0	176	31.8
50-99 employees	115	18.3	36	11.8	102	18.4
100-499 employees	260	41.4	143	46.7	129	23.3
500 or more employees	17	2.7	17	5.6	8	1.5

	Men's & Boys' Knit Outerwear Mills (SIC 2253)		Men's & Boys' Leather & Sheep-Lined Clothing (SIC 2386)	
	No.	%	No.	%
Total establishments	843	100.0	152	100.0
Number of employees:				
Under 10 employees	238	28.2	97	63.8
10-49 employees	329	39.0	39	25.7
50-99 employees	139	16.5	11	7.2
100-499 employees	116	13.8	5	3.3
500 or more employees	21	2.5	0	--

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
County Business Patterns, 1985

In the latest available detailed information on industry concentration, the 1982 Census of Manufactures, reports that the 50 largest companies in the men's wear industry who are involved in the sportswear/casual wear category accounted for upwards of 60% of the total value of industry shipments. Concentration levels have grown since 1982.

Concentration in the Industry (continued)

Share of Value of Industry Shipments in Men's & Boys' Held By the Largest Companies: 1982

	Value of Industry Shipments (Mil. $)	Percent Accounted For By Largest Companies:			
		Top 4	Top 8	Top 20	Top 50
Men's & boys' clothing, n.e.c. (SIC 2329)	$1,658.3	12%	20%	38%	62%
Knit outerwear mills (SIC 2253)	3,182.4	19	29	45	64
Leather & sheep-lined clothing (SIC 2386)	221.3	32	47	69	88
Men's & boys' shirts & nightwear (SIC 2321)	3,477.7	19	29	48	69
Men's & boys' separate trousers (SIC 2327)	2,165.4	30	45	64	83

n.e.c. not elsewhere classified

Source: 1982 Census of Manufactures: Concentration Ratios in Manufacturing MC82-S-7

Leading Manufacturers

The dividing line between functional sportswear designed for active sports participation and other, or street sportswear continues to disappear as more companies are trading in their "active" looks for a mainfloor sportswear image. Other manufacturers, however, are still facing the issue of performance activewear vs. spectator activewear. But trade information indicates that the companies with the biggest volume of sales owe a good percentage of their business to the mainfloor sportswear market.

A list of the leading activewear/sportswear manufacturers in specific classifications, many of which are in both functional and mainfloor merchandise, has been compiled by SportStyle magazine. An excerpt from the detailed report covering the top five companies reported in major sportswear/activewear categories follows.

Leading Manufacturers (continued)

Leading U.S. Manufacturers of Specified Activewear/Sportswear, 1987

(Including men's, women's, children's. Sales in millions of dollars)

	Sales in Category
Fleece: Top 5, total	$1,286.0
Tultex	348.0
Bassett Walker	296.0
Russell	260.0
Pannill	259.0
Champion	123.0

	Sales in Category
Beachwear: Top 5, total	$487.8
Ocean Pacific (OP)	310.0
Gotcha	65.0
Hobie Sportswear	62.0
Quicksilver	31.8
Jimmy'z	19.0

	Sales in Category
Athletic Footwear Mfrs.' Apparel: Top 5, total	$372.0
Adidas	139.8
Nike	130.0
Reebok	47.0
Puma	37.8
Troop	18.0

	Sales in Category
Rugged Outerwear: Top 5, total	$290.3
Woolrich	144.0
Pacific Trail	82.0
Patagonia	40.0
Helly-Hansen	14.3
Columbia	10.0

	Sales in Category
Active Sportswear: Top 5, total	$220.0
Jantzen	72.0
Catalina	65.0
Izod/Lacoste	50.0
Le Coq Sportif	18.0
Jockey	15.0

	Sales in Category
Ski Apparel: Top 5, total	$125.3
CB Sports	31.0
Sport Obermeyer	28.0
Roffe	24.0
Head Sportswear	23.5
White Stag	18.8

	Sales in Category
Golf Apparel: Top 5, total	$ 116.7
Pickering	30.0
Izod	29.0
Aureus	28.7
La Mode du Golfe	16.0
Quantum	13.0

	Sales in Category
Hunting/Fishing Apparel: Top 5, total	$ 85.5
Woolrich	31.0
Walls	22.5
Columbia	14.0
Saf-T-Bak	13.0
Red Head	5.0

	Sales in Category
Tennis Apparel: Top 5, total	$ 63.4
Head sportswear	16.5
Fila	14.4
Ellessee	12.5
Sergio Tacchini	10.0
Tail	10.0

	Sales in Category
Competitive Swimwear: Top 5, total	$ 76.0
Speedo	57.5
Arena	10.0
Hind	3.9
TYR	2.5
Dolfin	2.1

	Sales in Category
Performancewear: Top 5, total	$ 37.9
Hind	12.5
Dolfin	6.5
Sub 4	6.4
New Balance	6.5
Perfection	6.0

	Sales in Category
Cyclewear: Top 5, total	$ 15.7
Hind	5.2
Bellwether	4.0
Decente	3.5
Pearl Izumi	1.5
Nike	1.5

Source: *SportsStyle*, June 13, 1988

GENERAL INDUSTRY STATISTICS

Leading Manufacturers (continued)

Jeans

Jeans comprise the largest single segment of the sportswear/casual wear market, with annual unit sales running close to 500 million pairs. Close to $7 billion is spent on jeans per year according to the American Textile Institute (ATI). However, the jeans business has been suffering from sagging sales lately, with men's jeans off 14%.

The jeanswear market is dominated by VF Corporation (makers of Lee and Blue Bell) and by Levi Strauss. It is estimated that VF and Levi control approximately equal shares of half the market. Levi has an estimated 55% of the men's jeans market while VF's Lee brand has the biggest chunk of the women's jeans business, according to the Wall Street Journal. However, when men's and children's are included, Levi's is clearly the dominant brand with overall market share of 22% compared with Lee's 13% share.

Men purchase an average of nearly two pairs of jeans a year while women buy only 1.08 on average, according to MRCA Information Services, (an independent research organization which tracks consumers purchases).

VF's jeans divisions currently account for about 60% of the company's sales and 83% of net income. Weaker competitors will be a target of the firm as it moves to gain further market share, according to ATI. In just three years, Lee has increased its market share from 2% to 13%. Lee suffered a reversal in 1986 but achieved renewed sales and earnings in 1987. VF acquired Blue Bell in late 1986, and more brand name diversification with Wrangler, Rustler, and Girbaud. The manufacturer now offers four national brands instead of one and reaches nearly all segments of the market.

The combined jeans brands are seen as more complementary than competitive. Wrangler and Rustler brands appeal primarily to western and rural males through broader distribution among mass retailers. Lee sells on factors such as style, fabric and fit, while Girbaud helps VF build a fashion presence in upscale department and specialty stores.

Other manufacturers include Big Yank ($100 million in volume), and Cowden ($50 million) the Interco's divisions which are currently up for sale. After competing successfully in the women's market, Orit Corp's Gitano (with $30 million in sales for men's items), is staking a claim in men's sportswear by marketing simultaneously to all retail levels.

PRODUCTION

Current information on U.S. apparel production, as well as value of shipments, is issued in the Current Industrial Reports series by the Census Bureau. The figures are developed through a mail survey of all known U.S. manufacturers and jobbers, with the exception of very small plants (usually less than five employees). Included are garments assembled abroad and shipped back to U.S. cutters under the terms of Item 807 of the Tariff Schedule. Both products made in cut-and-sew shops and products of knitting mills are covered in the CIR data, but not made-to-measure clothing.

Following are production figures for 1987 compared with 1986, with details on fabric types and construction where reported.

PRODUCTION

Production of Specified Types of Men's Sportswear/Casual Wear
By Construction/Fabric: 1986, 1987

	Thousands of Units 1987	Thousands of Units 1986	% Change 1987/86
Men's trios (coat with matching pair & a contrasting pair of pants)	283	272	+ 4.0%
Dress & sport coats, incl. uniform	17,487	19,692	- 11.2
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	nr	9.4	
Manmade/wool blends (chiefly manmade)	32.5	30.1	
All man-made, chiefly manmade blends, except manmade/wool blends	30.0	27.2	
All wool & chiefly wool	24.9	28.5	
All other fabric	5.5	3.9	
Fabric not specified	nr	0.9	
Separate vests, excl. sweater vests	331	738	- 55.1
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	nr	nr	
All manmade & chiefly manmade	85.2%	52.6%	
All wool & chiefly wool	7.3	6.0	
Other & not specified	nr	nr	
	Thousands of Dozens 1987	Thousands of Dozens 1986	
Sport shirts: woven	3,470	3,879	- 10.5
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	42.4	44.0	
All manmade & chiefly manmade	51.8	52.1	
Other fabrics	nr	nr	
Fabric not specified	4.1	2.2	
Sport shirts: knit			
T-shirts & tank tops made for outerwear, incl. long sleeve T-shirts	29,378	23,429	+ 25.4
Total	100.0%	100.0%	
By fabric			
All or chiefly cotton	44.3	39.8	
All manmade & chiefly manmade	52.6	58.8	
Fabric not specified	3.1	1.4	
Other knit shirts for men, except sweat	8,952	nr	--
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	41.6	nr	
All manmade & chiefly manmade	50.2	nr	
Other & not specified	8.2	nr	

Production of Specified Types of Men's Sportswear/Casual Wear By Construction/Fabric: 1986, 1987

(continued)

	Thousands of Dozens		% Change
	1987	1986	1987/86
Men's sweaters, incl. sweater vests, cardigans, pullovers	2,069	2,316	- 10.7%
Total	100.0%	100.0%	
By fabric:			
All or chiefly cottons	33.5	19.1	
All manmade & chiefly manmade	48.4	53.8	
All wool & chiefly wool	16.6	23.9	
All other & not specified	1.5	3.2	
	Thousands of Units		
	1987	1986	
Men's shorts, trousers, jeans, jean-cut casual slacks	344,909	348,921	- 1.1
Separate dress & sport trousers	110,149	113,839	- 3.2
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	2.0	14.8	
Manmade/wool blends, chiefly manmade	1.3	17.4	
All manmade, chiefly manmade blends, except manmade/wool blends	5.8	59.5	
All wool & chiefly wool	nr	6.9	
All other fabric	nr	0.9	
Fabric not specified	0.03	0.5	
Jeans & dungarees	147,772	159,905	- 7.6
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	95.8	89.9	
All manmade & chiefly manmade	4.1	10.0	
Fabric not specified	0.1	0.1	
Jean-cut casual slacks	29,883	27,245	
Total	100.0%	100.0%	
By fabric:			
All of chiefly cotton	71.4	71.7	
All manmade & chiefly manmade	28.1	28.1	
All other & not specified	0.5	0.2	
Shorts, including athletic shorts	57,105	47,932	+ 19.1
Total	100.0%	100.0%	
By fabric:			
All cotton or chiefly cotton	35.5	29.0	
All manmade & chiefly manmade	48.1	61.7	
All other fabric	nr	5.4	
Fabric not specified	nr	2.9	
Athletic shorts	24,772	28,963	- 14.5

(continued)

PRODUCTION

Production of Men's Nontailored Coats By Construction/Fabric: 1986, 1987

	Thousands of Units		% Change
	1987	1986	1987/86
Men' Outerwear:			
Heavy nontailored outer jackets except ski, including padded vests & uniform jackets	15,972	14,634	+ 9.1%
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	34.7	30.7	
All manmade & chiefly manmade	52.3	39.2	
All wool & chiefly wool	9.0	6.6	
All other fabric	1.9	7.2	
Fabric not specified	2.0	16.2	
Light nontailored outerjackets	16,492	22,426	- 26.5
Total	100.0%	100.0%	
By fabric:			
All cotton or chiefly cotton	11.7	8.7	
All manmade & chiefly manmade	80.2	86.2	
All wool & chiefly wool	nr	nr	
All other fabric	nr	nr	
Fabric not specified	2.9	2.1	
Down & feather filled coats, jackets, vests (including boys, as well as men's)	702	886	- 20.8
Total	100.0%	100.0%	
By fabric:			
All cotton or chiefly cotton	14.9	12.1	
All manmade & chiefly manmade	78.3	74.7	
All wool & chiefly wool	nr	nr	
All other fabric	nr	nr	
Fabric not specified	1.3	11.[illegible]	

Production of Men's & Boys' Active Sportswear By Construction/Fabric: 1986, 1987

	Thousands of Dozens		% Change
	1987	1986	1987/86
Sweat shirts	10,764	9,559	+ 12.6%
Total	100.0%	100.0%	
All cotton or chiefly cotton	12.5	13.4	
All manmade & chiefly manmade	87.0	86.6	
Fabric not specified	0.5	--	
Sweat pants	4,571	4,702	- 2.8
Total	100.0%	100.0%	
By fabric:			
All manmade & chiefly manmade	90.7	90.8	
Other & not specified	9.3	9.2	

(continued)

Production of Men's & Boys' Active Sportswear By Construction/Fabric: 1986, 1987

(continued)

	Thousands of Dozens 1987	1986	% Change 1987/86
Warmup & jogging suits	535	517	+ 3.5%
Total	100.0%	100.0%	
By fabric:			
All cotton or chiefly cotton	11.0	3.7	
All manmade & chiefly manmade	79.6	95.2	
Fabric not specified	9.4	1.1	
Swimwear	787	1,348	- 41.6%
Total	100.0%	100.0%	
By fabric:			
All cotton or chiefly cotton	nr	34.3	
All manmade & chiefly manmade	69.1	64.7	
Fabric not specified	nr	1.0	
Ski jackets, vests	65	85	- 23.5%
Total	100.0%	100.0%	
By fabric:			
All manmade & chiefly manmade	97.0	96.5	
Other fabric	nr	nr	
Ski pants	11	7	+ 57.1
Total	100.0%	100.0%	
By Fabric:			
All manmade & chiefly manmade	90.9	100.0	
Fabric not specified	9.1	--	
Ski suits and one piece ski overalls	2	1	
Team sports uniforms	971	814	+ 19.3%
Total	100.0%	100.0%	
Knit fabric:			
All manmade & chiefly manmade	67.5	59.0	
Woven fabric:			
All manmade & chiefly manmade	25.2	31.2	
Fabric type not specified	7.3	9.8	

nr not reported

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23E(87) Issued August 1988

PRODUCTION

By Wholesale Price

The Census Bureau has included information on production by wholesale price line for the following men's sportswear/casual wear items. Made-to-measure wear is not included.

Production By Wholesale Price: 1986, 1987

	1987	1986
Men's dress & sport coats (including uniform) (Thousands of units)	17,484	19,692
Percent	100.0%	100.0%
Under $35	25.1	26.9
$35.00 to $49.99	24.3	27.0
$50.00 to $64.99	14.4	8.2
$65.00 to $79.99	9.4	11.3
$80.00 to $94.99	6.9	4.9
$95.00 to $109.99	3.9	6.4
$110 & over	12.8	11.4
Price not specified	3.2	3.9
Men's separate sport & dress trousers (including uniform) (Thousands of units)	110,149	113,839
Percent	100.0%	100.0%
Under $5.99	0.9	0.6
$6.00 to $9.99	13.4	15.5
$10.00 to $13.99	53.8	51.4
$14.00 to $17.99	9.3	10.1
$18.00 to $21.99	3.8	4.9
$22.00 & over	9.8	8.6
Price not specified	9.0	8.9

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23E(87) Issued August 1988

Materials Consumed in Production

Consumer preference for natural fiber products has fueled the use of cotton in apparel despite price increases. While the total market on a fabric weight basis for all men's apparel increased 3.4% in 1987, cotton rose a record 9% and cotton's share of the market rose from 53% to 56%, cotton's largest share in any apparel category. Cotton's share of the market in men's apparel increased in all areas, except jeans, during the first 4 months of 1988 compared to the same period in 1987. For example, in woven shirts cotton's share rose to 65% from 60% and up to 68% from 65% in knit shirts.

PRODUCTION

Materials Consumed in Production (continued)

Cotton's Percent of Fabric Weight In Men's Sportswear

	1987	1986
Slacks	37%	32%
Jeans	91	89
Shorts	63	55
Woven Shirts	64	60
Knit Shirts	66	61
Sweat Shirts	48	45
Swim Suits	54	47
Sweaters	18	13

Source: Cotton Inc.

PRODUCT SHIPMENTS

The total value of all specified men's sportswear/casual wear shipped by all U.S. plants, regardless of the plants' SIC classification based on primary products, totaled close to $7.7 billion in 1987, registering a small gain of 2.9% compared with 1986. T-shirts exhibited the biggest increase (28.1%). Men's athletic shorts and jean-cut slacks also rose.

Active sportswear for both men and boys registered a 5.2% decline in value of shipments. However, a major fleece category, sweat shirts, registered a 2.1% gain in shipment value. A sharp cut was noted in men's and boys' swimwear shipments and the value of shipments each year was about even. Higher prices helped in some cases to offset cuts in units.

The Value of Shipments of Specified Men's Sportswear/Casual Wear By All U.S. Manufacturers: 1986, 1987
(Millions of dollars)

	1987	1986	% Change 1987/86
Reported men's sportswear/casual wear, total, including outerwear	$7,765.0	$7,545.9	+ 2.9%
Tailored suit-type dress & sport coats (including uniform)	995.6	1,111.7	- 10.4
Separate vests, incl. sweater vests	6.6	14.8	- 55.4
Sport shirts: woven	355.9	361.3	- 1.5
Knit shirts:			
T-shirts & tank tops made for outerwear, including long-sleeve T-shirts	748.0	583.9	+ 28.1
Other men's knit shirts except sweat shirts	675.0	670.0(e)	+ 0.7
Sweaters, incl. sweater vests, cardigans, pullovers	297.6	309.1	- 3.7

(continued)

The Value of Shipments of Specified Men's Sportswear/Casual Wear By All U.S. Manufacturers: 1986, 1987

(Millions of dollars)
(continued)

	1987	1986	% Change 1987/86
Men's shorts, trousers, jeans, jean-cut casual slacks	3,862.5	3,380.4	+ 0.3
Separate dress sport trousers	1,470.4	1,507.8	- 2.5
Jeans & dungarees	1,835.2	1,858.6	- 1.3
Jean-cut casual slacks	322.0	276.2	+ 16.6
Shorts, incl. athletic	234.9	187.8	+ 25.1
Outerwear:*	723.8	664.7	+ 8.9
Men's heavy nontailored outer jackets except ski, incl. padded vests & uniform jackets	418.7	362.5	+ 15.5
Light nontailored outerjackets	267.9	249.5	+ 7.4
Down & feather filled coats, jackets and vests (men's & boys')	37.2	52.7	- 29.4
Reported Active Sportswear (including men's & boys), total	1,044.7	1,101.6	- 5.2
Sweatshirts	533.7	522.8	+ 2.1
Sweat pants	245.6	263.2	- 6.7
Warmup or jogging suits	65.1	64.8	+ 0.5
Swimwear	68.0	122.7	- 44.6
Ski jackets, incl. ski vests	30.2	46.1	- 34.4
Ski pants	8.6	5.6	+ 53.6
Team sports uniforms	93.5	76.4	+ 22.4

(e) estimated

* Leather and sheep-lined jackets are not included in CIR apparel production data. In 1987, leather apparel was an important fashion item and U.S. total shipments were valued at $151 million, including men's, women's and children's. This compared with shipments valued at $141 million in 1986, according to the International Trade Administration: 1988 U.S. Industrial Outlook.

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23E(87) Issued August 1988

PRODUCT SHIPMENTS

The share of the total value of shipments of specific products in the sportswear/casual wear category accounted for by the largest producers was reported by the Census Bureau for 1982. As expected, the jeans industry is the most highly concentrated, with over two-thirds of shipments centered in four companies as of 1982.

Share of Value of Total Shipments Accounted For By Largest Companies, 1982

Men's:	Total Shipments (mil. $)	% of Total Accounted For By Largest Companies			
		Top 4	Top 8	Top 20	Top 50
Tailored dress & sport coats, jackets	$ 944.0	24%	42%	73%	93%
Knit sport shirts, incl. sweatshirts (incl. boys')*	1,112.9	23	38	62	87
Dress & sport shirts, woven (incl. boys')	1,212.1	29	42	64	87
Separate dress & sport trousers (incl. boys')	2,107.0	25	39	57	77
Jeans, incl. jean-cut casual slacks (incl. boys')	2,543.9	67	76	88	97
Heavy outerwear coats, jackets, non-tailored (incl. boys')	449.8	20	35	61	88
Leather & sheep-lined clothing (men's, women's, children's)	207.3	30	45	67	87

*Shirts made in cut-and-sew shops of knitted fabric. (Other knit shirts are made in knitting mills and comparable data is not available.)

Source: U.S. Bureau of the Census:
1982 Census of Manufactures;
Concentration Ratios in Manufacturing MC82-S-7

For a limited number of major products the U.S. Census Bureau has included information on value of shipments by state in 1982, based on the census of manufactures compiled every five years. Following is information for leading states.

Since 1982, the pattern in the apparel industries has been toward greater concentration among fewer companies operating fewer plants.

PRODUCT SHIPMENTS

By State

Value of Shipments By All Producers in Leading States: 1982
(Millions of dollars

Product*	1982 Value	1982 %
Men's/boys' knit sport shirts	$1,112.9	100.0%
States		
Alabama	185.5	16.7
California	41.6	3.7
Georgia	88.5	8.0
New York	145.3	13.1
North Carolina	178.0	16.0
Pennsylvania	43.4	3.9
South Carolina	127.6	11.5
Tennessee	84.7	7.6
Other	218.3	19.6
Men's/boys' dress & sport shirts	1,212.1	100.0
States		
Alabama	105.7	8.7
Georgia	183.4	15.1
New York	225.0	18.6
North Carolina	109.3	9.0
Pennsylvania	136.9	11.3
South Carolina	70.6	5.8
Tennessee	70.3	5.8
Other	310.9	25.6
Men's/boys' jeans, jean-cut casual slacks	2,543.9	100.0
States		
Alabama	84.4	3.3
California	150.1	5.9
Georgia	219.8	8.6
Kentucky	86.9	3.4
Mississippi	138.3	5.4
New York	88.4	3.5
North Carolina	42.0	1.7
Tennessee	458.1	18.0
Texas	580.8	22.8
Virginia	105.1	4.1
Other	590.0	23.2

(continued)

PRODUCT SHIPMENTS

By State (continued)

Value of Shipments By All Producers in Leading States: 1982
(Millions of dollars)
(continued)

	1982	
	Value	%
Men's/boys' heavy outer wear coats & jackets	$ 449.8	100.0%
States		
California	23.5	5.2
Missouri	38.0	8.4
New York	29.4	6.5
Pennsylvania	23.8	5.3
Tennessee	62.0	13.8
Washington	34.0	7.6
Other	239.1	53.2
Men's/boys' outerwear, n.e.c.**	770.8	100.0
States		
Alabama	85.9	11.1
California	53.7	7.0
Georgia	61.6	8.0
Missouri	45.0	5.8
New York	112.0	14.5
Pennsylvania	54.8	7.1
Tennessee	47.2	6.1
Other	310.6	40.3

(e) estimated
n.e.c. not elsewhere classified
* Covers products made from purchased knit or woven fabrics. Does not include products made in knitting mills.
**Covers manufacturers classified in SIC 2392, which includes swimwear, activewear, athletic uniforms, wash suits, and other sport/casual wear made from purchased knit or woven fabrics.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Industry Series MC82-1-23A

NATIONAL ADVERTISING EXPENDITURES

An overall view of national advertising devoted to broad sportswear classifications, including apparel for men, women and children, shows spending for space and for time up 3% in 1987 compared with 1986.

Women's items make up a high percentage of the advertising expenditure totals.

NATIONAL ADVERTISING EXPENDITURES

National Advertising Expenditures for Space/Time In Seven Measured Media, 1987

(Thousands of dollars)

	Sportswear		Bathing Suits & Beachwear	
	1987	% Change 1987/86	1987	% Change 1987/86
Measured media total	$173,182.1	+ 3.0	$1,814.6	+ 43.6
Magazines	97,092.9	+ 13.2	1,582.4	+ 41.9
Network TV	33,919.7	+ 12.8	na	---
Spot TV	23,192.5	- 15.6	57.3	+157.0
Cable TV	8,206.9	- 19.5	39.5	- 1.7
Newspaper Supplements	7,295.4	- 18.6	22.8	- 6.6
Network Radio	702.2	- 80.4	na	---
Outdoor	2,772.5	+ 33.9	112.6	+ 84.0

	Exercise & Athletic Wear	
	1987	% Change 1987/86
Measured media total	$2,424.8	+ 23.6
Magazines	2,059.3	+ 25.9
Network TV	na	---
Spot TV	260.2	- 7.2
Cable TV	77.9	+363.9
Newspaper Supplements	na	---
Network Radio	na	---
Outdoor	27.4	- 4.2

Sources: Leading National Advertisers, BAR/LNA Multi-Media Service
Newspaper Advertising Bureau

PRODUCER PRICES

Higher material and production costs, as well as incentive to match higher prices on imports, are reflected in increasing prices for apparel at the wholesale (factory) level, as well as at retail.

PRODUCER PRICES

Producer Price Index For Reported Men's Sportswear Items
(Base 1982=100 unless otherwise specified)

	Index	% Change in Monthly Avg. Index	
	April 1988	April 1988/87	Dec. 1987/86
All commodities	105.8	+ 3.8%	- 3.7%
All apparel	110.9	+ 2.9	+ 1.2
Men's & boys' apparel, total	112.0	+ 4.2	+ 1.1
Selected items:			
Trousers: dress, sport, uniform	108.7	+ 2.3	+ 3.4
Jeans & jeans-cut casual slacks			+ 2.2
Denim (men's)	114.9	+ 7.4	
Other fabric (men's)	104.4	nr	+ 1.2
Sportshirts, men's & boys'			
Woven (12/1984=100)	102.1	+ 1.5	- 0.5
Knit, incl. sweat (6/1983=100)	102.3	+ 3.6	+ 3.6
Sweaters, jackets, jerseys (12/1984=100)	106.7	+ 3.6	+ 2.3
Leather coats, jackets (men's & boys') (12/85=100)	118.3	+ 8.9	+ 1.4
Swimwear, athletic shorts, & other outerwear (men's & boys') (12/1984=100)	112.6	+ 5.8	+ 3.9

nr not reported

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

Imports

The deficit in U.S. apparel trade widened in 1987 and continues to do so in 1988. The value of imports of all apparel in 1987 rose 30%; imports of specific types of men's and boys' sportswear (listed in the table on the following page) were up about 23% in value; T-shirt import value more than doubled.

The 1987-1988 growth in the value of apparel imports has resulted largely from a sharp rise in unit values due (1) to the weak dollar, which has raised the cost of some imports to U.S. buyers; (2) tighter quotas on imports from some countries, which encouraged suppliers to ship higher value merchandise to maximize profits; and (3) limited availability and higher raw material costs for some items. The import price index for all apparel in the period March 1987 to March 1988 rose 8.1%; for men and boys' woven outergarments the increase was 15.4%; on woven shirts a gain of 10% in import prices was reported by the Bureau of Labor Statistics.

While the value of specified men's sportswear imported into the U.S. gained 23% in 1987 compared with 1986, the increase in units was half as much--at 11.4%. Imports of men's trousers, slacks and shorts were up 31% in value; 21.1% in units.

FOREIGN TRADE

Imports (continued)

Quantity & Value of Imports of Specified Men's & Boys' Sportswear/Casual Wear: 1986, 1987

	Quantity* (Thous. Dozen)			C.I.F. Value* (Mil. $)		
	1987	1986	% Change 87/86	1987	1986	% Change 87/86
Specified men's & boys' sportswear/ casual wear items, total	70,580.9	63,343.5	+ 11.4%	$3,950.1	$3,220.4	+ 22.6%
Trousers, slacks & shorts, total	19,055.8	15,731.6	+ 21.1	1,230.2	939.2	+ 31.0
Wool	339.9	318.5	+ 6.7	68.6	64.7	+ 6.0
Cotton	11,748.9	9,136.6	+ 28.7	770.2	549.9	+ 40.1
Man-made fibers	6,967.0	6,281.5	+ 10.9	391.4	324.6	+ 20.6
Sport shirts, total	46,636.2	43,229.0	+ 7.9	2,227.6	1,873.2	+ 18.9
Woven, total	22,391.5	21,795.8	+ 2.7	1,095.4	1,014.0	+ 8.0
Cotton corduroy	118.5	100.9	+ 17.4	8.3	7.0	+ 18.6
Other cotton	9,173.9	8,098.2	+ 13.3	502.0	417.8	+ 20.1
Wool	194.0	203.4	+ 4.8	19.7	16.4	- 16.7
Man-made fibers	12,905.1	13,393.3	- 3.6	568.7	569.5	- 14.1
Knit, total incl. T-shirts	24,244.7	21,433.2	+ 13.1	1,132.2	859.2	+ 31.8
Cotton	10,983.1	8,996.8	+ 22.1	589.1	450.4	+ 30.8
Wool	67.1	76.0	- 11.7	9.5	10.0	- 5.0
Man-made fibers	9,743.1	9,823.2	- 0.8	473.4	370.5	+ 27.8
T-Shirts, cotton	3,451.4	2,537.2	+ 36.0	60.2	28.2	+113.5
Sweaters, total	4,888.9	4,382.9	+ 11.5	492.3	408.0	+ 20.7
Wholly or in part cashmere	32.6	44.9	- 27.4	23.4	22.4	+ 4.5
Sheep-like hair, except cashmere	146.6	154.1	- 4.9	21.0	20.6	+ 1.9
Wool	1,242.9	1,316.4	- 5.6	152.8	157.3	- 0.3
Cotton	669.9	434.7	+ 54.1	93.7	57.5	+ 63.0
Man-made fibers	2,796.9	2,432.8	+ 15.0	201.4	150.2	+ 34.1

*Quantity covers imports for immediate consumption as well as withdrawals from warehouses. General imports, covered in Value include imports for immediate consumption plus warehouse withdrawals.

The C.I.F. (cost, insurance, freight) value represents the value of imports at the first port of entry into the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census:
U.S. General Imports & Imports for Consumption
(FT 135-December 1987, 1986)

Due to a shift in consumer demand, most of the gain in trouser imports occurred in cotton trousers, which increased by 29% in quantity and by over 40% in value in 1987. Hong Kong is the largest supplier of trousers. In general, Taiwan, Hong Kong and Korea are the big suppliers of apparel to the U.S. Imports from China, the fourth largest, were subject to embargoes on trousers after China had filled its quotas.

FOREIGN TRADE

Imports (continued)

Over 90% of the manmade-fiber knit shirts and approximately 80% of both the wool and cotton knit shirts for men during 1987 were subject to some form of import restraint applying to major suppliers under agreements negotiated in 1986. Coupled with the sharp increases in prices of merchandise from the European Community, due to the devalued dollar, tight quotas on shipments from the Big Three, China and on Japan have increased opportunities for a number of smaller suppliers, particularly those in Asia, to expand their shipments to the U.S. These countries include Brunei, Indonesia, Malaysia, the Phillippines, Singapore and Thailand, as well as others.

Imports from the Caribbean Basin also continued their rapid growth. Overall in apparel, about 78% of these imports consisted of garments assembled in the Caribbean from U.S.-fabricated components and entered under U.S. tariff provision 807, which allows duties to be applied only to the value added in assembly abroad. Non-807 imports from the Caribbean Basin and Mexico have grown due to the increased investment in the apparel industry in these areas by major Asian producers whose growth potential has been limited by tight U.S. quotas.

Moreover, the largest Caribbean suppliers, the Dominican Republic, Jamaica, Costa Rica and Haiti, representing 81% of total apparel imports from Caribbean countries in 1987, have entered into the U.S.'s "special access program", known as 807-A, which guarantees them and other eligible Caribbean countries greater access to the U.S. market for their products assembled with fabric both produced and cut in the U.S. A somewhat similar "special regime" has recently been created with Mexico, the largest supplier of apparel under the 807 provision.

Information on the quantity and value of "807" imports of specified men's wear has been separately reported by the Census Bureau for 1986, but not for 1987 Apparel, Current Industrial Reports, MA23A(87). However, it is noted that they are included in exports (which in that regard might be overstated since they may be reported in pieces, rather than completed garments). The "807" imports are also included in import data.

Quantity & Value of "807" Imports: 1985, 1986
(Quantity in thousands of dozens; Value in millions of dollars)

	1986			1985		
	Quantity	Value of U.S. Content*	Total Value**	Quantity	Value of U.S. Content*	Total Value**
Men's & boys', total listed stores	6,735	$255.1	$396.2	5,104	$184.5	$308.7
Sweaters	31	0.7	2.4	13	0.1	1.4
Shirts	2,286	53.4	111.0	1,987	39.6	98.1
Trousers, slacks, shorts	4,217	181.0	249.7	2,889	127.3	174.3
Jackets-suit type	184	19.6	31.9	179	16.6	33.7
Swimwear	17	0.4	1.2	36	0.9	1.2

Note: "807" apparel is included in domestic output, imports, and exports. For explanation of this import classification, see above discussion.

* Represent the value of U.S. fabricated components.

**C.I.F. (cost, insurance, freight) value including the value of U.S. components and foreign processing.

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23A(87)

FOREIGN TRADE

Imports (continued)

Using a different merchandise classification system (published in Census Bureau report IM 146), the Bureau reported the following data on imports for 1987 and 1986 in the CIR report:

Quantity & Value of Imports For Consumption in the U.S.: 1986, 1987
(Quantity in thousands of dozens; Value in millions of dollars)

	Quantity			Value (C.I.F.)		
	1987	1986	% Change	1987	1986	% Change
Men's & boys' specified sportswear, casual wear total	76,094	69,026	+10.2%	$5,934.1	$4,866.5	+21.9%
Sweaters	5,511	5,325	+ 3.5	731.6	640.2	+14.3
Shirts, incl. dress & work	48,544	44,633	+ 8.8	3,257.3	2,661.9	+22.4
Trousers, slacks, shorts (excl. wool knit)	20,379	17,023	+19.7	1,666.7	1,288.1	+29.4
Dress, sport coats	725	851	-14.8	246.7	244.7	+ 0.8
Swimwear	935	1,194	-21.7	31.8	31.6	+ 0.6

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23A(87)

Exports

Matching the above classification reported in import data, the Census Bureau has reported the following summary information on U.S. exports. Much of any gains in exports have been attributed to the "807" program, and represent garments shipped unassembled to the Caribbean Basin and Mexico, then returned to the U.S. after assembly. Exports in terms of value have been helped by the cheaper U.S. dollar, which makes U.S. good less expensive in value terms of some foreign currencies and "traded up" merchandise is still a good bargain abroad.

Quantity & Value of Exports of Specified Apparel: 1986, 1987
(Quantity in thousands of dozens; Value in millions of dollars)

	Quantity			Value (F.A.S.)		
	1987	1986	% Change	1987	1986	% Change
Men's & boys; specified sportswear, casual wear total	7,997	6,433	+24.3%	$369.1	$177.7	+107.7%
Sweaters	62	83	-25.3	2.1	1.6	+ 31.2
Shirts, incl. dress & work	3,865	3,100	+24.7	104.3	80.9	+ 28.9
Trousers, slacks, shorts (excl. wool knit)	3,869	2,948	+31.2	130.0	86.8	+ 49.8
Dress, sport coats	191	54	+253.7	131.1	4.8	+2631.2
Swimwear	10	248	-96.0	1.6	3.6	- 55.5

F.A.S. free alongside ship

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23A(87)

FOREIGN TRADE

Imports' Share of New Supply On the U.S. Market

The growth in imports' share of the U.S. market will be noted in the following summary. Tighter controls and quota restrictions have not stemmed the tide, which is fostered not only by the enterprise of foreign producers but by the sourcing abroad of large U.S. retailers, particularly to develop private labels, and by the opening of plants overseas by large U.S. companies.

Import data on specific types of men's activewear is not published by the Census Bureau. However, trade data and purchase tracking studies indicated that about a fourth of the units and 36% of retail dollars were accounted for by imports. In some classifications, imports accounted for well over half of dollar expenditures at retail.

Apparent Consumption & Imports Share: 1985-1987

	Apparent Consumption*			% Accounted For By Imports		
	1987	1986	1985	1987	1986	1985
QUANTITY (Thous. dozens)						
Men's & boys						
Sweaters	7,888	8,092	7,097	69.9%	65.8%	62.7%
Shirts (all types)	101,665	94,592	102,863	47.7	47.2	41.0
Bottoms	60,670	60,381	55,284	33.6	28.2	25.4
Dress, sport coats	2,100	2,533	2,485	34.5	33.6	32.8
Swimwear	1,255	2,294	2,231	74.5	52.1	45.9
VALUE (Millions of $)						
Specified apparel, total						
Sweaters	$ 1,058.6	$ 983.2	$ 843.8	69.1	65.1	60.9
Shirts (all types)	6,120.2	5,369.2	6,170.3	53.2	49.6	42.0
Bottoms	6,736.5	6,607.1	6,096.6	24.7	19.5	18.4
Dress, sport coats	1,257.6	1,378.3	1,345.8.	19.6	17.8	18.9
Swimwear	93.3	150.7	144.8	34.1	21.0	22.4

*Apparent consumption represents new domestic supply, and is derived by subtracting exports from the sum of U.S. manufacturers' shipments plus imports.

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23A(87)

AT THE RETAIL LEVEL

THE POTENTIAL MARKET (POPULATION)

The fastest growing segment of the male population between 1988 and 1995 will be the 35-54 year old age bracket, increasing 24.3%. This growth, which reflects the aging of the baby boom generation, will push the number of males in this segment to 40.8 million in 2005, accounting for more than 30% of the total male population, up from 24.4% in 1987.

This rapidly increasing age group is also the most affluent. Median income for all U.S. males age 18 and over was $17,905 in 1986. Among males age 25 to 34, the median was $19,162; for men 35 to 44 years, the median was $26,172; for men age 45 to 54, the median was $27,756.

Estimated Male Population of the U.S., 1988, and Projections* to 1995 & 2005

	Number (Thousands)			% Change	Percent Distribution		
	1988	1995*	2005*	1995/1988	1988	1995*	2005*
Total, all ages	119,390	126,368	134,297	+ 5.8%	100.0%	100.0%	100.0%
Under 16 years	28,877	30,889	29,723	+ 7.0	24.2	24.4	22.1
16 years & older	90,513	95,482	104,574	+ 5.5	75.8	75.6	77.9
16-19	7,474	6,804	8,058	- 9.0	6.3	5.4	6.0
20-34	31,625	29,166	27,416	- 7.8	26.5	23.1	20.4
35-54	29,134	36,206	40,769	+24.3	24.4	28.6	30.4
55-64	10,079	9,865	14,060	- 2.1	8.4	7.8	10.5
65 & older	12,201	13,441	14,271	+10.1	10.2	10.6	10.6
Median age (years)	31.1	33.4	36.0	+ 7.4	--	--	--

*Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. (Includes Armed Forces overseas.)

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census:
Current Population Reports
Series P-25, No. 952 (May 1984)

THE POTENTIAL MARKET

The second fastest growing age group will be the 65 and older males, a group expected to grow 10.1% by 1995. Recent studies show that exercise and health are top priorities among seniors. The affluence and fast growth rate of this group, plus the fact that a large segment are concentrated in the Sunbelt states, where outdoor activities are year-round, has had a strong impact on the men's sports/casual wear market. More manufacturers are making a special effort to go after the mature market. Exercise walking is the most popular activity among men 55 years or older, followed by fishing.

Big and Tall Men

The big and tall business has been highly specialized, but more and more manufacturers are moving into this burgeoning market, which is represented by an estimated 8-to-10% of the men's market. New information on the distribution of the adult male population in the U.S. by height and weight indicates a sharp gain in the big and tall market. The U.S. Department of Health, Education and Welfare recently updated its findings on the population by height/weight measurements. Those were projected to the total population as reported by the Census Bureau.

The number of tall males (6 foot, 3 inches or taller) increased over 30% in a 10 year period.

One and a half million out of a total 74.6 million adult males are at least six feet three inches tall. Close to one out of four of these men weigh 230 pounds or more, and another 9.6% weigh 220 to 229 pounds. Most tall men weighing over 230 pounds are in the 18-24 year old population (53%). A growing demand for larger sizes will be noted among older age groups as these young men move along the age scale. Almost 20% of big/tall men are 25 to 34, 19.1% are age 35 to 54, and 8.6% are 55 to 64.

CONSUMER EXPENDITURES

In order to collect a continuous flow of information on purchases by American consumers to be used in periodic revisions of the Consumer Price Index base, an on-going survey of a representative sample of consumers is conducted by the Census Bureau for the Bureau of Labor Statistics.

CONSUMER EXPENDITURES

The Bureau of Economic Analysis, Department of Commerce, on the other hand, compiles figures on total personal consumption expenditures by major product classification. Drawing on the pattern in spending for specific types of men's wear reported by the BLS; and applying this information plus trade data to BEA based spending totals, results in the following estimates on expenditures for specific types of men's sportswear. This covers the value at retail of merchandise reaching the consumer, including nonretail channels as well as retail outlets.

Estimated Personal Consumption Expenditures: 1986

	Billions of dollars	Percent
Men's wear expenditures, total	$ 37.5	100.0%
Specified sportswear/casual wear, total	18.0	48.0
Slacks, jeans, dungarees	6.0	16.0
Sport shirts, knit & woven	4.4	11.7
Sweaters, sweater vests	2.0	5.3
Active (fleece, swimwear, etc.)	1.6	4.3
Outer jackets	1.6	4.3
Jackets, blazers	1.4	3.7
Shorts (other than fleece)	1.0	2.7

Note: The above figures do not include accessory items that swell the market for men's casual wear.

Source: Estimates based on Bureau of Economic Analysis and Bureau of Labor Statistics reports; trade sources

The BLS Consumer Expenditure Survey 1986 included information on the average percent of households in the U.S. who purchased one or more of the specified men's wear items in any quarter of 1986, and the average amount spent per quarter.

Quarterly Average Expenditures By U.S. Households For Specified Men's Sportswear/Casual Wear: 1986

	Quarterly Average	
	% of Households Purchasing	Amount Spent
Apparel for men age 16 & over, total	42.2%	$139
Slacks, jeans, dungarees	20.9	58
Sweaters, sweater vests	6.1	61
Shorts, short sets	5.1	31
Activewear	5.5	43

Source: U.S. Bureau of Labor Statistics: 1986 Consumer Expenditure Survey

BLS findings on the pattern in household spending by income group and by region are summarized in the following tables.

Percent Distribution of Expenditures for Men's Sportswear By Income Before Taxes, 1986

	Percent of Consumer Units Reporting Income	Sweaters	Trousers	Shorts	Sportswear	Coats & Jackets
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
$40,000 & Up	19.9	39.9	38.1	43.5	45.2	42.4
$30.000 - $39,999	12.6	15.8	16.7	15.1	16.7	15.4
$20,000 - $29,999	16.7	15.8	16.5	15.4	15.5	15.4
$15.000 - $19,999	10.2	6.9	8.0	4.5	5.7	6.7
$10,000 - $14,999	12.5	7.7	7.9	8.9	5.8	8.2
$ 5,000 - $ 9,999	15.9	7.2	6.2	6.9	4.9	6.1
Less than $5,000	12.3	6.6	6.6	5.7	6.2	5.7

Percent Distribution of Expenditures for Men's Sportswear By Region, 1986

	Percent of Consumer Units	Sweaters	Trousers	Shorts	Sportswear	Coats & Jackets
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	21.2	24.1	23.7	19.5	20.3	31.9
Midwest	25.2	25.9	21.5	19.0	18.8	25.8
South	34.0	27.5	32.7	38.4	29.6	22.6
West	19.6	22.5	22.0	23.0	31.3	19.7

CONSUMER PRICE TRENDS

While the average consumer price index for men's wear rose 3.8% in 1987, the CPI for coats and jackets rose 4.7%. Prices of shirts rose the most, up 6.2%, while jean and trouser prices rose 3.3%.

The latest monthly averages released by the Bureau of Labor Statistics are for May 1988. They show a 4.7% increase in consumer prices for all apparel from the same month last year. The CPI for men's wear was up 3.3% for the same months, while the averages for shirts were up 5.5% from May 1987; for jeans and trousers, up 3.6%.

June retail prices for men's wear and other apparel, however, were below May levels due to promotional activity.

Consumer Price Index of Specified Men's Sportswear Items
(1982-1984 = 100)

	May Averages	Annual Averages		
	% Change 1988/87	1987	1986	% Change 1987/86
All items	3.8%	113.6	109.6	+ 3.6%
Apparel commodities less footwear	4.7	109.6	104.7	+ 4.7
Men's apparel	3.3	110.4	106.4	+ 3.8
Coats & jackets, suits, sportcoats	1.2	111.3	106.3	+ 4.7
Shirts, dress & sport	5.5	113.7	107.1	+ 6.2
Dungarees, jeans & trousers	3.6	107.8	104.4	+ 3.3

Source: U.S. Bureau of Labor Statistics

RETAIL SALES

By Merchandise Line

Government figures on retail sales of specific merchandise lines are only compiled in the complete census of retail trade taken every five years. The most recent covers results in 1982, and information from this source has been included in previous editions of the MEN'S SPORTSWEAR, CASUAL WEAR Fact File.

Information on a current basis is provided to marketers (clients) by private research organizations which track consumer spending patterns through diaries maintained by nationwide panels of households, and through estimates based on other trade sources, including trade associations, trade paper coverage, etc.

By Merchandise Line (continued)

An analysis of retail market trends vs. recent performance has been compiled by Kurt Salmon Associates Inc., New York (The KSA Perspective, December 1987). Men's sportswear purchases in 1988 were expected to be relatively weak compared with 1987, according to a market projection made at the end of 1987 by KSA. The absence of a strong fashion influence was cited as a factor. Rising prices are also a major factor.

Based on data collected by the NPD (National Panel Diary) Group, Kurt Salmon expected the bright spot for the industry would be activewear, such as the bike pant and other closer fitting stretch garments. Unit purchases of casual shirts were expected to rise a moderate 3% in 1988, and denim jean purchases were expected to decrease slightly.

Active sportswear exhibited the largest gains in 1987, increasing by an estimated 25%. However, KSA/NPD data indicate that more than half of the year's growth in all activewear took place in the discount retail sector suggesting that price became more of a factor in 1987.

Year-to-Year Changes in Unit Purchases of Specified Men's Sportswear, 1984-1988

	Projected	Estimated	Actual	
	1988/1987	1987/1986	1986/1985	1985/1984
Mens's Wear, Total	+ 1%	+ 3%	+ 3%	0
Casual shirts	+ 3	+ 5	+ 6	+ 5
Active sportswear	+ 7	+25	+20	+10
Sweaters	+ 1	+ 7	- 5	+ 3
Slacks	+ 1	+ 7	- 3	- 6
Denim jeans	- 1	- 2	0	- 5

Source: Kurt Salmon Associates/NPD Purchase Panel, Soft Goods Outlook for 1988

Rising prices are the main concern of retailers at the present time as they look ahead to 1989. Continued increases are expected due to rises in costs of imported merchandise, as well as in domestic manufacturers, due to higher fiber/fabric costs and on trading up. Spring/Summer 1988 results were disappointing and retailers are concerned as most expect their buyers to encounter at least a 10% increase in sportswear prices for next season.

In shirts, the woven/knit cycle is reported to be starting a move away from knits, and there is also a proliferation of new fabrications and styles available in both domestic and overseas markets.

Sales of men's slacks have been relatively strong. MRCA Soft Goods Information Service has projected a gain of 8.4% in unit sales, and 13.7% in dollar sales for the first quarter of 1988 vs. first quarter of 1987; this based on their purchase tracking studies. Results in dollar sales of specified men's sportswear/casual wear in 1987 compared with 1986 were reported as follows:

RETAIL SALES

By Merchandise Line (continued)

Percent Change in Dollar Volume Of Specified Men's Sportswear, 1987/1986

Activewear*	+31.6
Woven Sport Shirts	+20.6
Sweaters	+17.0
Shorts	+13.4
Knit Sport Shirts	+ 9.9
Slacks	+ 7.9
Outer Jackets	+ 2.4

* not including swimwear.

Source: MRCA Soft Goods Information Service

RETAIL SALES BY STORE TYPE

Retailers are wrestling with a number of new issues and opportunities such as: private label for better margins and market strategy/positioning; sourcing options, for relief from higher prices in the Far East; bar-coding, electronic data interchange with vendors and Quick Response merchandising.

In addition, department and specialty stores have lost market share to chains, discounters, and other categories such as off-price, mail order, sporting goods, and factory outlets/warehouses.

Mail order purchases, although representing only 3.6% of the market, increased 32.8% in all men's apparel dollar volume between 1985 and 1987, according to MRCA. Specific items registering gains include woven and knit sport shirts, outer coats, jackets and sweaters.

Specialty Stores

Industry sources estimate department store men's operations average about 15% tailored clothing, 50% sportswear, and 35% furnishings. Specialty men's wear stores average 52.7% tailored clothing, 28% sportswear, and 19.3% furnishing.

Specialty stores are trying to eke out a profit on a volume and inventory that is far less than in competing stores. Private label assortments are being beefed up so that their merchandise will be distinctive. With higher prices specialty stores must fight hard to maintain market share and lure loyal customers.

Men's sportswear represented a median of 21.1% of total store sales, according to MRA members reporting on characteristics of the men's wear retailing industry in the following chart. Sales in men's clothing stores increased only 1.2% in 1987 with coordinated leisurewear, sweaters, and actionwear showing the best results. Sportshirts represented the largest share of the classification's sales and 6.8% of total store sales. Markdowns were 17.2% of total store sales in the typical reporting store.

Specialty Stores (continued)

Selected Merchandising & Operating Results in Men's Wear Stores: 1987

(Median results)

	Total Men's Sports Wear	Sport Shirts	Sweaters	Action Wear	Casual Slacks	Jeans	Jackets & Heavy Outer Wear	Coord. Leisure Wear
% change in sales 1987/1986 (63)*	+ 1.2%	- 2.9%	+ 7.3%	+ 6.2%	+ 2.3%	- 4.3	+ 2.6	+14.4
% of total store sales (72)*	21.1	6.8	4.1	1.7	+ 3.9	+ 2.5	+ 2.8	+0.8
% distribution of average inventory in men's sportswear dept. (48)*	100.0	31.0	20.8	7.2	18.4	13.4	15.8	3.1
Markdowns, % of sales (53)*	17.2	17.7	16.5	19.9	15.0	13.1	20.0	21.8
Number of stock turns (50)*	2.3	2.3	2.5	2.5	2.1	1.7	1.9	1.8

* Number of reporting firms in each category.

Source: Menswear Retailers of America: 1988 Annual Business Survey

Sportswear continues to be the single most important growth area for men's specialty stores in 1988, according to members of Menswear Retailers of America (MRA). Most stores have steered away from the fashion forward European sportswear lines and have opted instead for traditional resources such as Polo, Ruff Hewn, Nautica and others.

Specialty retailers, such as Chess King and Merry-Go-Round Enterprises are adjusting their advertising to gain a greater share of the image-driven youth market. Others are aggressively pursuing the men's market with highly segmented apparel lines and first-time advertising and promotion efforts targeted to men. ACA Joe, for example, started a direct marketing catalogue, and began promotion and advertising. The Gap and its popular division, Banana Republic Safari and Travel Clothing, now target babyboomers in the 28-44 age group.

Men's sportswear sales were distributed as follows in the typical men's wear store in 1987, according to the MRA.

Specialty Stores (continued)

Percentage Distribution of Sportswear Sales By Merchandise Classification in Men's Wear Stores: 1987
(Median Results)

	Total	Firms Handling Men's Wear Only (34)	Firms Handling Women's Wear (39)
Men's sportswear, total	100.0%	100.0%	100.0%
Sport shirts	35.0	35.0	34.8
Sweaters	20.7	21.5	19.0
Actionwear	7.9	7.3	7.9
Casual slacks	15.5	15.1	19.4
Jeans	10.7	12.0	7.8
Jackets, heavy outerwear	13.0	12.9	13.1
Coordinated leisurewear	3.1	2.9	3.2

Note: For each merchandise category, only those stores reporting that category are included in the tabulation Columns therefore do not add to 100% as each category has its own base.

Source: Menswear Retailers of America:
1988 Annual Business Survey

According to the U.S. Bureau of the Census, 15,931 men's wear stores were in operation in 1985, (the latest County Business Patterns Report available). Included are all stores with one or more employees. This compares with a total of 17,480 counted in the 1982 Census of Retail Trade (Census Bureau).

The number of family clothing stores was reported at 16,643 in 1985, compared with 17,859 in 1982.

Compared with 1986, total men's wear store sales ($9.0 billion) were up only 0.8% in 1987. Family clothing store sales ($19.5 billion) gained 9.1% over the 1986 total of $17.8 billion.

Department Stores

According to the Census Bureau, the number of department stores in operation in the U.S. totaled 9,982 in 1985, up from 9,767 in 1982. Sales (in current dollars) increased from $107.2 billion in 1982 to $151.7 billion in 1987. Discount department stores accounted for 45% of the 1987 total volume, national chains, 24%. In 1982, discount department stores represented 37.3% of the department store total; department stores operated by national chains (Sears, Ward, Penney) accounted for 28%. The remaining cut of the pie was held by conventional department stores.

Department Stores (continued)

In the typical department store with a total volume over $2 million, sales of men's and boys' sportswear accounted for over 7% of total store sales, according to the National Retail Merchants Association. The 1987 NRMA report on operating results shows net sales of men and boy's sportswear in the typical store increased 11.7% from the year before while sales in stores with volume over $100 million increased 12.9%. Sales per square foot were a median $158.0 for these departments in stores with a volume of over $2 million.

Sportswear is the greatest contributor to total department store sales of all men's and boys' wear classifications. Comprising half of total volume in typical department stores; over $2 million a year and slightly more than half in larger department stores with over $100 million in volume. However, specialty stores are springing up to capitalize on the growing men's sportswear market, such as the Limited's Express Man and the new sportswear outlets developed by some traditional clothing store's.

Merchandising & Operating Results of Men's & Boys' Sportswear Departments In Department Stores, 1986
(Median results)

	Total Store Sales	
	Over $2 Million	Over $100 Million
Number of reporting companies	51	28
Net sales, % change from last year	+ 11.7%	+12.9%
Sales, % to total store	7.2	7.5
$ sales per sq. ft. of selling space (main or largest unit)	158.0	na
Cumulative markon, %	51.9	51.5
Gross margin, % of net sales (incl. cash discounts)	40.2	40.4
Markdowns, retail, % of sales	21.3	20.4
Number of stock turns (times)	3.0	3.0
Advertising, % of net sales	2.7	2.7

Source: National Retail Merchants Association
Merchandising & Operating Results of 1986
(1987 edition)

Mass Merchandisers

Most customers purchasing their major apparel items at these stores are under 45 years of age. According to a study of purchases at 11 top mass merchandisers, conducted during the 12 month period from October 1985 through September 1986 by MRCA Information Services, these men account for 63% of the total adult male population and 71% of the purchases made for the eight classifications surveyed. Over a third of transactions were made by men in the top 25% of all U.S. households based on income class. The retailers included in this study were J.C. Penney, Sears, Montgomery Ward, Caldor, K mart, Target, Zayre's, Bradlees, Gold Circle, Venture, and Wal-Mart.

Mass Merchandisers (continued)

Mass merchants are also attracting educated consumers. Better than 90% of the purchases tracked were for men in households headed by a person with at least a high school education. Over half had a college education, including 13% with graduate school study.

These retailers are having a growing impact in the sales of fashion-sensitive sportswear classifications at the expense of traditional department and specialty stores. Well over a third of all purchases of sweatshirts and knit and woven sport shirts were accounted for by the 11 mass merchandisers represented in this survey. They also accounted for about one third of the jeans purchases, one out of every four purchases of outerwear, casual slacks and 22% of sweaters.

Share of Total Purchases Spent in Mass Merchandisers For Selected Men's Sportwear Items, 1986

	Units	Dollars
Slacks	26.3%	22.4%
Jeans	32.8	30.0
Shorts	35.2	30.4
Woven Sport Shirts	34.7	30.0
Knit Sport Shirts	35.0	28.5
Activewear	37.1	30.5
Outer Jackets*	25.5	na
Sweaters*	22.3	na

* For 12 months ending September 1986.

Source: MRCA Information Services

Women's share of purchases of the men's sportswear items listed in the chart above, were up for jeans and activewear compared to three years earlier. However, on other items, their share of purchases remained the same or fell off slightly. In 1986, women spent 78% of all dollars for men's activewear, purchasing 73% of men's sport shirts, 52% of mens slacks, and 60% of shorts at the 11 mass merchandisers.

From 1984 to 1987, purchases of jeans and casual slacks in mass merchandisers represented 28.4% of the $3.32 billion market, up from 26.1% in 1984. This represents a 14.7% increase in the share of market held by mass merchandisers versus a 6.6% increase in the total market. Unit volume, on the other hand, which decreased for the total market by 2%, grew 7% at the mass merchants to 62.8 million units.

Discounters

Unit consumption of men's wear at full-line discounters and apparel off-pricers increased 2.7% for the 12 months ended March 1987, with activewear pacing all categories, according to Discount Store News research and industry analysts. Discounters share hit 34% in 1986, increasing from 29% in 1983. Discount stores are moving away from basics and becoming more fashion oriented, targeting the lower end customer from higher-priced stores.

RETAIL SALES BY STORE TYPE

Sporting Goods Stores

Sporting goods stores, which have always held a major share of apparel sales for active sports participants, have been broadening their apparel stocks to include the active looks sought by non-participants or "street activewear". Warmups, at various price points and in various fabrications, continue to be a big seller. Many sporting goods stores report that apparel sales represent a growing share of their sales, at the expense of declining equipment sales.

Total sporting goods store sales in 1987 amounted to $13.4 billion. (Comparable figures for earlier years are not available.)

RETAIL ADVERTISING PATTERN

Mid-summer and the holiday season are the tims of the periods in which retailers step up advertising on men's sportswear.

Percent of Newspaper Ad Linage Done By Retailers Each Month

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Slacks	3.3%	6.3	8.9	7.6	6.4	13.8	6.2	12.3	7.5	7.5	9.0	11.2
Sportswear/ Accessories	2.5%	3.9	6.9	7.4	7.9	18.1	4.3	9.1	6.0	7.0	11.5	15.4
Sportcoats	4.9%	5.1	11.5	5.5	4.3	12.1	2.5	6.4	8.6	11.6	14.8	12.7

Source: Advertising Checking Bureau, 1986

More ad dollars are devoted to lower priced items.

Percent of Newspaper Ad Linage Done By Retailers By Price of Item Sold

	To $10.00	10 01- 15.00	15.01- 20.00	20.01- 25.00	25.01- 30.00	Over 30.00	Unpriced
Sport Shirts	35.8%	25.6	17.3	11.0	4.4	3.8	2.1

	To $15.00	15 01- 20.00	20.01- 25.00	25.01- 30.00	30.01- 35.00	Over 35.00	Unpriced
Slacks	28.5	32.5	16.7	8.1	4.3	7.4	2.5

Source: Advertising Checking Bureau, 1987

RETAIL MERCHANDISING TRENDS

Private Label

Stores are taking a stronger position in private label, in order to generate a quality product in their own fashion colors and styles. As branded merchandise is increasingly sold in numerous other outlets and at a discount by off-price retailers, private label gives the store opportunities to have a distinctive image. Improving gross profit margins and maintaining competitive prices through control of the timing of markdowns and sales are also dominant reasons for private label programs.

Rising costs of imports and quota problems are expected to boost domestic manufacturing of private labels. Haggar Apparel Co. disclosed plans for a line of dress and casual slacks and blazers. Phillips-Van Heusen Corp.'s private label operations are growing at a faster clip than any of its branded or designer label division.

Participants in the Kurt Salmon Associates consumer purchase studies listed 500 different private brand labels in the most recent survey, up from 250 in 1983. The increased consumer interest for private labels in fleecewear, along with outerwear and knit shirts is shown in a report compiled by NPD Research in its monthly POSTS (Point of Sale Tracking Service) sampling among the nation's top 100 department stores.

During the retail fourth quarter of November 1987 to January 1988, private label accounted for 21.7% of fleecewear unit sales, an increase of 8.8 percentage points over the same quarter the previous year. In outerwear, private label represented 17.9% of sales during this time period, up 7.3 percentage points compared with 1986. However, sweaters and woven sport shirts, where private label dominates, both showed declines in sales share.

Private Label's Share of Sales
(Percent of Total for Item)

	Fourth Quarter	
	1987	1986
Men's sportswear		
Knit shirts	34.0%	27.3%
Woven sport shirts	36.9	37.5
Sweaters	45.1	46.6
Jeans	0.7	0.9
Slacks/pants	11.0	7.3
Fleecewear	21.7	12.9
Outerwear	17.9	10.6

Source: NPD Research: POSTS (Point of Sale Tracking Service)

RETAIL MERCHANDISING TRENDS

Private label traditionally dominated in chain stores, but for the full year 1987, purchases of private label merchandise increased in specialty and department stores.

Private Label
Percent of Dollar Purchases at Retail

	Specialty		Department		Chain Stores	
	1987	1982	1987	1982	1987	1982
Men's sportswear:						
Sweaters	26	18	16	11	68	70
Jeans	8	4	2	1	30	71
Sweats	23	5	13	8	38	61
Swimwear	2	2	3	1	20	78

Source: KSA/NPD Purchase Panel

Licensing

In 1987, licensed apparel and accessories grew by half a billion dollars from the previous year, according to the Licensing Letter. Licensed goods are at the highest level of penetration in the sportswear/actionwear line--73% of stores that carry sportswear/actionwear have licensed merchandise in this category. Sportswear is also frequently named as the class of licensed products that generates the highest sales, according to a study by Audits & Surveys for the Licensing Industry Merchandiser's Association. Industry sources note a growing interest in corporate and sports-themed apparel licensing.

CONSUMER PURCHASING PATTERNS

The following table, completed by NAB (based on data collected by MRCA Information Services, 1984) is an approximation of men's wear purchases by month. It shows, for example, that in January an average of 96 pairs of jeans were purchased per 1,000 households. Multiplying the purchase rate shown for a particular category each month by the number of households in a given area yields an estimate of the quantity actually purchased. These numbers reflect the large volume of men's wear purchases that can be expected in the summer months and during the holiday season.

CONSUMER PURCHASING PATTERNS

Average Purchase Rate (in Units) Per 1,000 Households

	Avg. Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Shirts/Sweaters	660.5	410.7	399.8	502.2	416.4	470.9	817.5	583.1	595.9	533.7	608.7	776.9	1,810.8
Pants/Slacks/Shorts	227.1	131.6	122.8	200.2	211.4	261.9	433.5	248.4	236.1	201.1	137.4	181.1	359.9
Jeans	154.8	96.1	101.5	142.8	127.7	101.7	150.9	145.0	220.1	171.3	120.6	155.7	324.7
Swimwear/Sweats	73.0	43.1	50.5	63.4	34.4	54.7	91.6	56.8	43.5	60.4	61.9	119.1	196.9

Source: Newspaper Advertising Bureau, (NAB):
1987 Newspaper Advertising Planbook

The distribution of purchases by price was reported as follows:

Percent of Men's Sportswear Purchases By Price

	Under $10	$10-19.99	$20-29.99	$30-39.99	$40-49.99	$50 & Over
Light jackets	12.6%	32.0%	24.6%	14.8%	5.1%	10.9%
Slacks	11.3	51.6	28.1	5.8	1.7	1.5
Jeans	12.6	74.6	11.0	1.7	0.1	--
Sweaters	22.2	49.3	18.3	6.9	2.0	1.2
Sport shirts	58.5	34.7	5.7	0.9	0.1	--
Swimsuits	62.4	30.6	5.9	1.1	--	--
Warmups	6.3	34.6	31.1	13.5	9.2	5.3

	Under $25	$25-49.99	$50-99.99	$100-149.99	$150-199.99	$200 & Over
Heavy jackets	46.0%	34.9%	14.7%	3.1%	1.1%	0.2%

Source: Newspaper Advertising Bureau,
1988 Newspaper Advertising Planbook
(Based on MRCA Information Services, 1984 Data)

CONSUMER PURCHASING PATTERNS

The following table summarizes the percentage of men in the U.S. who bought at least one of the items in each category during a 12 month period, based on over 14,000 diaries analyzed by Simmons Market Research Bureau. Over 25% of adult men purchased at least one pair of basic jeans-making this item almost a commodity product.

Percent of Men Buying At Least One Item
(During 12 month period)

	Percent
Jeans (Not Designer)	25.9%
Sport shirt	18.9
Lightweight jacket (not suit type)	13.7
Sweaters	12.3
Jeans (Designer/Dressy)	9.3
Heavyweight jacket (not suit type)	8.8
Swimsuit	8.7
Ski Clothes	3.2
Tennis Clothing	2.3

Source: Simmons Market Research Bureau: Study of Media and Markets, 1985

KSA/NPD Purchase Panel

The following information on purchases of men's sportswear/casual wear for men aged 16 years and older for 1986 and 1987 has been supplied by KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group. The information is based on the findings from an on-going monthly panel tracking the purchases of 19,500 nationally representative families.

According to this source, purchases of sweaters gained a whopping 22.8% in dollars and knitshirts were up almost 17% to $2.4 billion. The gain in units was much less; 6.7% and 7.9% respectively, demonstrating the effect of higher prices. In contrast, outer jackets were down 4.5% in dollars, 11.4% in units.

Purchases of Men's Shirts, Sweaters & Jackets

	Dozen Units (Mil.)			Dollars (Mil.)		
	1987	1986	% Change 1987/86	1987	1986	% Change 1987/86
Sport Shirts:						
Total	37.6	35.3	+ 6.5	4,875.0	4,350.0	+ 12.1
Woven	17.0	16.2	+ 4.9	2,472.5	2,295.3	+ 7.7
Knit	20.6	19.1	+ 7.9	2,402.6	2,054.7	+ 16.9
Sweaters	6.4	6.0	+ 6.7	1,636.7	1,332.4	+ 22.8
Outer Jackets*	3.9	4.4	- 11.4	1,684.1	1,762.7	- 4.5

* Includes ski, golf, rain and other.

CONSUMER PURCHASING PATTERNS

KSA/NPD Purchase Panel (continued)

Purchases of Men's Sport Shirts, Sweaters, Jackets By Outlet: 1986, 1987
(Percent of units)

	Sport Shirts		Sweaters		Jackets	
	1987	1986	1987	1986	1987	1986
Total	100%	100%	100%	100%	100%	100%
Department Stores	20.1	19.3	27.7	30.0	14.1	17.1
Mass Merchandisers*	19.7	21.4	19.2	19.1	20.1	18.8
Discount Stores	29.4	31.9	20.9	21.7	25.9	25.6
Specialty Stores	10.9	9.4	13.7	13.7	14.0	11.6
Sporting Goods	3.7	4.2	5.5	6.4	3.3	4.9
All Other Outlets	16.2	13.8	13.0	9.1	22.6	22.0

*Includes Sears/Penney/Ward/K-Mart.

Purchases of Men's Sport Shirts, Sweaters, Jackets By Outlet: 1986, 1987
(Percent of dollars)

	Sport Shirts		Sweaters		Jackets	
	1987	1986	1987	1986	1987	1986
Total	100%	100%	100%	100%	100%	100%
Department Stores	24.7	25.5	29.3	32.3	15.3	20.1
Mass Merchandisers*	19.8	22.1	16.6	16.6	16.9	16.1
Discount Stores	19.9	21.5	13.2	14.7	13.5	14.7
Specialty Stores	14.9	13.3	22.3	20.3	24.4	20.3
Sporting Goods	3.9	4.2	5.0	6.1	3.8	3.9
All Other Outlets	16.8	13.4	13.6	10.0	26.1	24.9

*Includes Sears/Penney Ward/K-Mart.

In 1987, more units were purchased in the highest price ranges, for both sport shirts and sweaters. Although 13.2% of sports shirts purchased in 1986 were priced at $17 or over, almost 19% cost that much in 1987.

Purchases of Men's Sport Shirts, Sweaters, Jackets By Price Point: 1986, 1987
(Percent of units)

	Year	Total	Less Than $5.00	$5 - $8.99	$9 - $12.99	$13 - $16.99	$17 and Over
Sport Shirts							
	1987	100%	10.9	26.0	28.2	16.1	18.8
	1986	100%	13.2	29.6	29.9	14.1	13.2

	Year	Total	Less Than $8.00	$8 - $11.99	$12- $15.99	$16 - $19.99	$20 - $24.99	$25 - $29.99	$30 & Over
Sweaters									
	1987	100%	9.0	14.6	21.8	18.9	11.8	8.6	15.2
	1986	100%	12.1	16.3	23.2	18.6	11.7	6.8	11.0

	Year	Total	Less Than $10.00	$10- $19.99	$20- $29.99	$30 - $39.99	$40 & Over
Outer Jackets							
	1987	100%	12.7	31.5	21.7	13.4	20.7
	1986	100%	12.8	32.3	22.4	11.9	20.6

KSA/NPD Purchase Panel (continued)

Although cotton is the primary fiber used in sport shirts, (increasing from 52.1% in 1986 to 56.4% in 1987), acrylic dominates in men's sweaters (decreasing slightly in 1987) and polyester is popular for men's outer jackets.

Purchases of Men's Sport Shirts By Fiber Content: 1986, 1987

(Percent of units)

	1987	1986
Total	100.0%	100.0%
Polyester dominant	38.7	42.6
Poly/cotton blend*	33.1	35.6
100% poly and other poly blends	5.6	7.0
Cotton dominant	56.4	52.1
100% cotton	34.8	28.7
Cotton/poly blends	21.2	22.6
Other cotton blends	0.4	0.8
Total acrylic	2.9	3.5
100% acrylic	2.4	3.0
Acrylic blends	0.5	0.5
Other fibers	2.0	1.8

* Includes 50/50.

Purchases of Men's Sweaters By Fiber Content: 1986, 1987

(Percent of units)

	1987	1986
Total	100.0%	100.0%
Polyester dominant	4.8	4.0
100% polyester	1.3	0.8
Poly blends	3.5	3.2
Cotton dominant	15.4	9.8
100% cotton	13.9	8.0
Cotton/poly blends	1.5	1.8
Wool dominant	19.8	27.8
100% wool	12.8	16.7
Wool blends	7.0	11.1
Acrylic dominant	53.6	54.7
100% acrylic	46.3	43.3
Acrylic blends	7.3	11.4
Other fibers	6.4	3.7

* Includes 50/50.

KSA/NPD Purchase Panel (continued)

Purchases of Men's Outer Jackets By Fiber Content: 1986, 1987
(Percent of units)

	Percent Dozen Units	
	1987	1986
Total	100.0%	100.0%
Polyester dominant	35.2	34.8
100% polyester	8.0	7.6
Poly/cotton blend*	21.8	21.0
Other poly blends	5.4	6.3
Cotton dominant	28.5	27.8
100% cotton	20.5	18.7
Cotton/poly blends	6.8	8.5
Other cotton blends	1.2	0.7
Nylon dominant	21.1	18.4
100% nylon	19.2	17.7
Nylon blends	1.9	0.7
Leather/Suede dominant	6.5	7.0
Other fibers	8.7	12.0

* Includes 50/50.

Jeans

Department stores and discounters were favored for purchases of men's jeans, each garnering 21% of sales, in a survey by Leo Shapiro and Sons based on interviews with 415 men in a national sample of 900 households.

Sales of Men's Jeans
Percent By Outlet Type, 1986

Department stores	21%
Discounters	21%
Sears, Penney, Wards	18%
Men's Stores	16%
NA	13%
Other	11%

Source: Leo J. Shapiro & Sons
Discount Store News

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET; INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels. It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available 1986.)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers the market for products designed for the active sports participant, as well as athleisure activities and active apparel. Covers growth trends in specific sports and related products, including footwear and apparel, and developments in the fitness market.

SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible. (Latest edition available 1985).

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

TOILETRIES, COSMETICS, FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry statitistics, at the manufacturing and retail levels. The quantity and value of manufacturers' shipments, leading manufacturers, advertising expenditures are covered, as well as information on retail sales by product, consumer buying habits and price trends.

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR, RAINWEAR, AND FURS: Data for the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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Sportswear, Casual Wear, Separates (Women's, Misses' & Juniors')

FAIRCHILD FACT FILE

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WOMEN'S, MISSES' & JUNIORS' SPORTSWEAR/CASUAL WEAR

MARKET TRENDS

Domestic manufacturers' shipments of women's sportswear/casual wear increased only 1.8% in value in 1987 compared with 1986, while the value of imports (including children's classifications) rose 14.1%. Meanwhile, a downturn in consumer demand began mid-1987, and has continued into 1988 as consumers reacted unfavorably to styles and to higher price tags. Both domestic shipments and imports have drifted downward in the first half of 1988.

Although gains were anticipated in skirts, knit shirts and in active sportswear, unit sales of most women's sportswear/casual wear items are expected to decline in 1988, according to an analysis of consumer buying by Kurt Salmon Associates. Gains in skirts, knit shirts and active sportswear, however, will be less than those reported for 1987.

Due to time pressure and the search for convenience and value, women are making more purchases through catalogues and discount stores. According to MRCA (an independent research organization which tracks consumer spending), discounters, off-price outlets, and specialty stores each increased their dollar sales of apparel by about 8% during the first quarter of 1988 over the same period in 1987, while department store sales were flat. Mail order has been showing increased strength in the distribution channel, rising from 3.2% of women's apparel sales in 1985 to 4.2% in 1987, according to KSA/NPD.

The market strategy put together by the Limited, the Gap, Charming Shoppes and many others in the early 1980's, has run its course as copy cat stores have proliferated. Specialty retailers are also losing some of their advantage of manufacturing cheaply abroad and selling at hefty markups.

Retail import programs are increasingly plagued by higher costs of raw material and labor, mounting U.S. quota restrictions, lack of flexibility on deliveries and the need to place orders far in advance of the season.

The Caribbean's low labor rates and proximity to the U.S. market seem more attractive now, as do U.S. sponsored programs. Item 807, and a new arrangement, the super 807, have provided a shot in the arm to Caribbean production. This is one location in which U.S. manufacturers still have an edge over retail customers. According to industry observers, in 10 to 15 years, the Caribbean could be as important in women's sportswear as the Orient is today.

Because imported apparel comprises a large percent of women's sportswear (from 27% to 78% depending on the classification), women are paying much more for apparel. Consumer prices for women's apparel were up 6.1% in May 1988 from the same period in 1987, while the consumer price index for all items increased 3.9%. Imports for consumption of women's, girls' and infants' sportwear items grew 14.5% in 1987, the Census Bureau reports. As the cost of clothing continues to rise, women are buying fewer items. According to MRCA, 1987 was the first year of this decade that growth in women's clothing lagged behind all other groups, increasing only 3.5% to $54.2 billion. Women still spend twice as much as men do on clothes, with per capital expenditures amounting to $569 for every adult women in America, up 35% from 1980.

On the domestic front, sweaters have been one of the brighter areas within the women's sportswear industry. In 1987, 13% of all women's clothing dollars were spent for sweaters, the single biggest item in women's clothing. The category is a $7 billion business and showed growth of almost 8% in 1987.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A measure of trends in the women's, misses' & juniors' blouse segment of sportswear/casual wear is developed in the annual report, U.S. Industrial Outlook, compiled by the International Trade Administration. As noted below, shipment information is reported on both a current and a constant dollar basis, (eliminating the effect of inflation).

Women's, Misses' & Juniors' Blouse Industry Trends 1972-1987

	Compound Annual Change	
	1972-85	1980-85
Value of U.S. industry shipments (current $)	+ 8.5	+ 6.0
Value of industry shipments (1982 $)	+ 3.2	+ 0.5
Total employment	+ 2.1	- 0.5
Production workers	+ 1.9	- 0.7
Average hourly earnings	+ 5.2	+ 1.4

Source: U.S. Department of Commerce,
International Trade Administration:
1988 U.S. Industrial Outlook

A complete census of all manufacturers in the U.S. which have one or more paid employee is compiled every five years by the U.S. Bureau of the Census. Compilation of data for 1987 is now underway, but it will be several years before reports are released. The Census Bureau conducts annual surveys using a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity in intercensal periods. Results from the recently issued 1986 Annual Survey of Manufactures show a rise of 1.4% compared with 1985 in the value of products and services sold by plants classified in the women's, misses' & juniors' blouse industry.

Sportswear/casual wear is not a clearly defined classification, but is included in a number of industries under the Standard Industrial Classification system. In some cases, such as Knit Outerwear Mills, industry data covers manufacturers of apparel for men and women, as well as children.

GENERAL INDUSTRY STATISTICS

Value added by manufacture is the best measure available for comparing the relative economic importance of manufacturing among industries (as well as geographic areas). In 1986, the value added in the blouse industry increased 4.6% over 1985, and capital expenditures rose 3.6%. Value added in the outerwear industry rose 6.6%. In knit outerwear mills valued added by manufacturer increased only slightly while industry shipments dropped 4.4%. Capital expenditures also decreased 1%. Investments in new machinery rose 6.8%, the most of all three industries as knit outerwear mills modernized equipment.

Women's, Misses' & Juniors' Blouse Industry (SIC 2331*)

	1986	1985	1982	% Change 1986/1985
Number of companies	na	na	1,825	- -
Number of establishments, total**	na	1380	1,955	- -
With 20 or more employees	na	800	1,111	- -
Employees, total (thous.)	78.2	82.1	92.3	- 4.8
Production workers (thous.)	66.2	70.0	79.4	- 5.4
Payroll (mil. $)	$ 835.6	$ 845.6	$ 876.1	- 1.2
Value added by manufacture (mil. $)#	1,808.0	1,729.0	1,843.6	+ 4.6
Value of industry shipments (mil. $)##	3,694.4	3,642.9	3,896.2	+ 1.4
Capital expenditures, new (mil. $)	35.0	33.8	29.4	+ 3.6
New machinery	25.9	25.3	21.7	+ 2.4

Women's, Misses' & Juniors' Outerwear, n.e.c. (SIC 2339*)

	1986	1985	1982	% Change 1986/1985
Number of companies	na	na	1,595	- -
Number of establishments, total**	na	1,454	1,746	- -
With 20 or more employees	na	880	1,039	- -
Employees, total (thous.)	92.3	98.7	110.9	- 6.5
Production workers (thous.)	77.7	84.0	93.5	- 7.5
Payroll (mil. $)	$1,081.8	$1,106.0	$1,099.0	- 2.2
Value added by manufacture (mil. $)#	2,503.9	2,348.9	2,261.2	+ 6.6
Value of industry shipments (mil. $)##	4,911.2	4,816.2	4,833.9	+ 2.0
Capital expenditures, new (mil. $)	49.3	47.3	85.4	+ 4.2
New machinery	38.9	35.0	66.4	+ 11.1

Knit Outerwear Mills (SIC 2253*)

	1986	1985	1982	% Change 1986/1985
Number of companies	na	na	893	- -
Number of establishments, total**	na	843	923	- -
With 20 or more employees	na	472	482	- -
Employees, total (thous.)	60.4	62.5	66.8	- 3.7
Production workers (thous.)	51.4	52.9	55.9	- 2.8
Payroll (mil. $)	$ 824.9	$ 830.9	$ 741.4	- 0.6
Value added by manufacture (mil. $)#	1,695.3	1,675.4	1,704.8	+ 1.2
Value of industry shipments (mil. $)##	3,447.2	3,604.3	3,182.4	- 4.4
Capital expenditures, new (mil. $)	85.6	86.5	53.5	- 1.0
New machinery	70.4	65.9	44.1	+ 6.8

na not available
n.e.c. not elsewhere classified

(footnotes continued)

GENERAL INDUSTRY STATISTICS

* Manufacturing establishments (plants) are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, as defined below:

SIC 2331 comprises plants primarily engaged in the manufacturing of women's, misses' and juniors' blouses, waists and shirts.

SIC 2339 includes manufacturing establishments primarily engaged in the manufacture of women's, misses' and juniors' outerwear, not elsewhere classified, such as neckwear, swimwear, slacks, ski suits, sweaters, and outerwear sport shirts, cut and sewn from purchased woven or knit fabric; also washable service apparel.

SIC 2253 includes establishments making knit outerwear for men and boys, as well as women and children. Separate industry figures are not available, as most mills produce for men, women and children.

NOTE: Industry data on plants manufacturing women's skirts, pants, pantsuits and jackets is combined in SIC 2337 with data on manufacturers of women's coats and suits. SIC 2337 is covered in the Women's Coats, Suits, Tailored Career Wear, Rainwear and Furs Fact File.

** Covers manufacturing establishments only, and each location is separately counted. Not included are separate auxilary locations serving the plants (i.e. administrative offices, purchasing offices, sales promotion offices, etc.). Data on number of establishments in 1985 are from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of shipments which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments includes, along with receipts for contract work, all items made for or by each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made by manufacturers in these industries. The value of primary product shipments, alone, plus the value of these shipments of such products by manufacturers classified in other industries, is covered in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census, 1986, 1985 Annual Survey of Manufactures; 1982 Census of Manufactures

Employment & Earnings

Labor costs are high in the U.S. compared with major apparel shippers abroad. In reaction to the sharp growth in apparel imports, U.S. manufacturers have consolidated operations in the U.S., streamlined and improved their production and marketing procedures in order to cut costs. In addition, deliveries have been sped up to get a competitive edge over imports.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

U.S. firms are also making use of "sourcing"--that is, engaging foreign and domestic suppliers outside the firm to furnish some or all components at various stages of the manufacturing process.

Some manufacturers are taking advantage of the "807" law, by which a U.S. apparel firm is allowed to cut fabric for the various parts of a garment, ship the parts for assembly to a foreign country where labor costs are lower, then import the finished garment, paying duty only on the value added to the cut pieces. In addition, some large U.S. apparel firms have wholly-owned or jointly-owned overseas plants.

These developments have led to a sharp cutback in employment in some segments of the U.S. apparel industry. From an average of 64,000 in 1979, employment in the women's blouse industry has declined steadily, reaching an average of 49,700 in 1987. In the women's outerwear, n.e.c. industry, however, employment rose slightly in the 1987 (+1.8%), to reach a new high of 179,200. This high may be exceeded in 1988 although the May total (preliminary) of 183,000 was below that of May 1987. (BLS figures on average annual employment differ somewhat from Census Bureau computations due to a difference in methodology.)

Employment & Earnings in Selected Women's Sportswear & Separates Industries

	May Average			Annual Average			
	1988(p)	1987	% Change 1988/87	1987	1986	1985	% Change 1987/86
Women's, misses' & juniors' blouses (SIC 2331*):							
All employees (thous.)	44.6	46.8	- 4.7%	49.7	50.1	52.7	- 0.8%
Production workers (thous.)	36.9	38.8	- 4.9	41.3	41.7	44.1	- 1.0
Average weekly earnings	$182.94	$177.21	+ 3.2	$179.28	$179.68	$178.52	- 0.2
Average hourly earnings	5.11	5.02	+ 1.8	5.05	5.09	5.13	- 0.8
Average weekly hours	35.8	35.3	+ 1.4	35.5	35.3	34.8	+ 0.6
Women's, misses' & juniors' outerwear, n.e.c. (SIC 2339*):							
All employees (thous.)	183.0	184.1	- 0.6	179.2	176.1	171.4	+ 1.8
Production workers (thous.)	154.4	153.8	+ 0.4	150.1	146.9	142.5	+ 2.2
Average weekly earnings	$204.56	$196.56	+ 4.0	$201.24	$193.12	$191.17	+ 4.2
Average hourly earnings	5.73	5.46	+ 5.0	5.59	5.44	5.34	+ 2.8
Average weekly hours	35.7	36.0	- 0.8	36.0	35.5	35.8	+ 1.4
Knit outwear mills (SIC 2253*):							
All employees (thous.)	70.0	71.8	- 2.5	72.2	69.7	63.6	+ 3.6
Production workers (thous.)	62.4	63.9	- 2.4	64.2	61.1	55.7	+ 5.1
Average weekly earnings	$248.14	$255.96	- 3.1	$255.17	$243.84	$228.46	+ 4.6
Average hourly earnings	6.33	6.48	- 2.3	6.46	6.35	6.06	+ 1.7
Average weekly hours	39.2	39.5	- 0.8	39.5	38.4	37.7	+ 2.9

See page 4 for definition of SIC codes.
n.e.c. not elsewhere classified.
(p) preliminary

Source: U.S. Bureau of Labor Statistics: Employment & Earnings

GENERAL INDUSTRY STATISTICS

Plant Capacity Utilization

For the fourth quarter of 1986, knit outerwear mills in the U.S. rose to a high of 95% of the industry's preferred rate; compared with an operating rate of 76% of the preferred level in the fourth quarter of 1983. (The preferred level is defined as a level normally between actual operations and practical capacity, at which profits are maximized). On the other hand, operating ratios in women's outerwear plants dropped from 91% of the preferred level to 68% in 1986. The following figures represent the ratio of actual utilization to the preferred level of operations.

Capacity Utilization Rates: Fourth Quarters 1983-1986

	1986	1985	1984	1983
Women's, misses' & juniors' blouses	nr	nr	nr	93
Women's, misses' & juniors' outerwear, n.e.c.	68	88	nr	91
Knit outerwear mills	95	93	73	76

nr not reported
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Survey of Plant Capacity

Concentration in the Industry

According to Sales and Marketing Management's latest estimates, a total of 1,101 plants manufacturing women's and misses' blouses had receipts of $4,680.5 million in 1987. Large plants with 100 or more employees represented only 19.3% of total plants, but accounted for 67% of industry shipments--reflecting the increased consolidation that has taken place in the last few years.

Large Plants (Employers) and Their Share of
Women's & Misses' Apparel Industry Shipments: 1987

		Number of Plants			Est. Shipments	
SIC	Industry	Total	With 100+ Employees	% of Total	Total	% By Large Plants*
2331	Women/Misses Blouses	1,101	213	19.3%	$4,680.5	67%
2339	Women/Misses Outerwear	1,631	285	17.5	1,888.9	72
2253	Knit outerwear mills	690	170	24.6	3,189.5	79

* Plants with 100+ employees.

Source: Sales & Marketing Management
"Survey of Industrial Buying Power"
April 1988. All rights reserved.

Concentration in the Industry (continued)

As part of the complete census of manufactures covering operations in 1982, the U.S. Census Bureau has compiled data on industry concentration levels. Competitive pressure, mergers and acquisitions have resulted in fewer companies and greater concentration of industry activity since 1982.

Share of Value of Industry Shipments Accounted For By the Largest Companies

			Value of Industry Shipments*			
			% accounted for by largest companies:			
Industry	No. of Companies	Total (mil. $)	4 largest	8 largest	20 largest	50 largest
Women's & misses' blouses:	1,824	$3,884.2	8%	14%	27%	44%
Women's & misses' outerwear:	1,592	4,830.4	23	22	34	49
Knit outerwear mills:	896	3,182.4	19	29	45	64

n.e.c. not elsewhere classified
*For an explanation of terms see page 4.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Concentration Ratios in Manufacturing MC82-S-7

While the value of industry shipments is concentrated among large plants, many small apparel factories are making specialized products to fill market niches. The Census Bureau's County Business Patterns covers information on the number of plants by employment size in specific industries. Plants with 10-49 employees were dominant, representing 41.7% of all establishments making women's blouses, 37.9% of all women's outerwear, 39% of all knit outerwear mills.

Number of Women's Sportswear & Casual Wear Manufacturing Establishments By Employment Size, 1985

	Women's, Misses' & Juniors':					
	Blouses (SIC 2331)		Outerwear n.e.c. (SIC 2339)		Knit Outwear Mills (SIC 2253)	
	Number	%	Number	%	Number	%
Total establishments	1,380	100.0%	1,454	100.0%	843	100.0%
Under 10 employees	353	25.6	371	25.5	238	28.2
10-49 employees	575	41.7	551	37.9	329	39.0
50-99 employees	257	18.6	247	17.0	139	16.5
100-499 employees	193	14.0	257	17.7	116	13.8
500 or more employees	2	0.1	28	1.9	21	2.5

n.e.c. not elsewhere classified.

Source: U.S. Bureau of the Census:
County Business Patterns, 1985

LEADING MANUFACTURERS

Sluggish sales at retail are saddling stores and manufacturers with excess inventory, and stores are cutting back on orders for women's sportswear. The recent consolidation among department stores has caused manufacturers to lose some accounts altogether. Makers of designer label goods are also in direct competition with the recent emphasis in private brands. Manufacturers have been confronting more hurdles in producing and importing goods from outside the U.S. Oxford Industries and Bernard Chaus Inc., for example, have had huge shipments of their goods from China embargoed due to import control limitations and quotas.

The tough retailing market is hastening the demise of many smaller apparel makers. Retailers are favoring vendors who can fill big orders and offer petite and large sizes, sportswear, and dresses, as well as assistance in merchandising the goods in the store.

As soon as stores identify a strong seller, they may copy it for their own private label. To salvage their business, sportswear manufacturers and designers are opening retail stores to establish exclusive outlets for their merchandise, cutting their wholesale prices, or becoming contractors for retailer's private-label programs. Some manufacturers are trying to promote sales and make their apparel more exclusive by distributing their brand to fewer stores, reports the Wall Street Journal. With the clothes available in fewer outlets, retailers will be under less pressure to mark down prices.

Jeans

Jeans comprise the largest single segment of the sportswear/casual wear market with annual unit sales running to about 500 million pairs. Close to $7 billion is spent on jeans per year according to the American Textile Institute (ATI).

The jeanswear market is dominated by VF Corporation, (makers of Lee and Blue Bell) and by Levi Strauss. It is estimated that VF and Levi control approximately equal shares of half the market.

VF's jeans divisions currently account for about 60% of the company's sales and 83% of net income. Weaker competitors will be a target of the firm as it moves to gain further market share, according to ATI. In just three years Lee increased its market share from 2 to 13%. Lee suffered a reversal in 1986 but achieved renewed sales and earnings in 1987. VF acquired Blue Bell in late 1986, and more brand name diversification with Wrangler, Rustler, and Girbaud. The manufacturer now offers four national brands instead of one and reaches nearly all segments of the market.

However, the jeans business has been faced with sagging sales. Unit sales of women's jeans in the first five months of 1988 fell 10% from the same 1987 period, according to MRCA.

Lee and Levi's are competing fiercely to win more female customers. Levi Strauss & Co., whose 501 Blues jeans are aimed primarily at men, will devote $20 million to its first major ad campaign (since 1984) tailored specifically for women. VF's Lee brand, which has the largest share of the women's jeans business has also been backed by a $20 million campaign to strengthen and expand the brand.

LEADING MANUFACTURERS

Jeans (continued)

According to the Wall Street Journal, Lee claims about 15% of the fragmented women's jeans market, Gitano, a brand sold mainly at discount stores, about 10%; and Levi's, about 7.5%. When men and children are included, however, Levi's is clearly the dominant brand with overall market share of 22%, compared with Lee's 13% share. Women buy an average of only 1.08 pairs of jeans a year, while men purchase nearly two pairs, acccording to MRCA Information Services.

Jean's Brands Market Share
(Purchases by Men, Women & Children)

Manufacturer	Brand	% Share
Levi Strauss & Co.		
	Levi's	22%
	Brittania	Less than 1%
VF Corp.		
	Lee	13%
	Rustler	8%
	Wrangler	7.5%
	Girbaud	Less than 1%

Source: Lee Apparel Co., based on MRCA Information Services
The Wall Street Journal

Other manufacturers include Interco's divisions--Big Yank ($100 million in volume) and Cowden ($50 million), which are currently up for sale.

L.A. Gear, the fashion athletic shoe and sportswear manufacturer, is jumping into the women's jeans market for the holiday selling season. The line, geared to department and specialty stores, will be produced abroad.

Activewear

The trade publication, SportStyle, compiles an annual list of the top companies in the activewear industry. Following are the top five manufacturers in specified activewear categories with sales figures for the year 1987. Sources are market estimates or statements by corporate officers. All figures include sales of men's and children's as well as women's products.

Activewear (continued)

Leading U.S. Manufacturers of Specified Activewear, 1987
(Including both men's and women's wear)
(Sales in mil. of dol.)

	Sales in Category
Fleece: Top 5, total	$1,286.0
Tultex	348.0
Bassett Walker	296.0
Russell	260.0
Pannill	259.0
Champion	123.0

	Sales in Category
Golf Apparel: Top 5, total	$ 116.7
Pickering	30.0
Izod	29.0
Aureus	28.7
La Mode du Golfe	16.0
Quantum	13.0

	Sales in Category
Beachwear: Top 5, total	$ 487.8
Ocean Pacific (OP)	310.0
Gotcha	65.0
Hobie Sportswear	62.0
Quicksilver	31.8
Jimmy'z	19.0

	Sales in Category
Hunting/Fishing Apparel: Top 5, total	$ 85.5
Woolrich	31.0
Walls	22.5
Columbia	14.0
Saf-T-Bak	13.0
Red Head	5.0

	Sales in Category
Athletic Footwear Mfrs. Apparel: Top 5, total	$ 372.0
Adidas	139.8
Nike	130.0
Reebok	47.0
Puma	37.8
Troop	18.0

	Sales in Category
Tennis Apparel: Top 5, total	$ 63.4
Head sportswear	16.5
Fila	14.4
Ellesse	12.5
Sergio Tacchini	10.0
Tail	10.0

	Sales in Category
Rugged Outerwear: Top 5, total	$ 290.3
Woolrich	144.0
Pacific Trail	82.0
Patagonia	40.0
Helly-Hansen	14.3
Columbia	10.0

	Sales in Category
Competitive Swimwear: Top 5, total	$ 76.0
Speedo	57.5
Arena	10.0
Hind	3.9
TYR	2.5
Dolfin	2.1

(continued)

LEADING MANUFACTURERS

Activewear (continued)

Leading U.S. Manufacturers of Specified Activewear/Sportswear, 1987
(Including Men's, Women's, Children's
(Sales in mil. of dol.)
(continued)

	Sales in Category		Sales in Category
Active Sportswear:		Performancewear:	
Top 5, total	$ 220.0	Top 5, total	$ 37.9
Jantzen	72.0	Hind	12.5
Catalina	65.0	Dolfin	6.5
Izod/Lacoste	50.0	Sub 4	6.4
Le Coq Sportif	18.0	New Balance	6.5
Jockey	15.0	Perfection	6.0
Ski Apparel:		Cyclewear	
Top 5, total	$ 125.3	Top 5, total	$ 15.7
CB Sports	31.0	Hind	5.2
Sport Obermeyer	28.0	Bellwether	4.0
Roffe	24.0	Decente	3.5
Head Sportswear	23.5	Pearl Izumi	1.5
White Stag	18.8	Nike	1.5

Source: SportStyle,
June 13, 1988

PRODUCTION

U.S. production of women's sportswear/casual wear, in general, has continued to decline, even though the official U.S. Department of Commerce definition includes garments cut here but sewn abroad--output of which has grown rapidly in recent years under the 807 program .

The domestic knitwear market still shows a high level of imports in relation to domestic consumption. However, many manufacturers have updated equipment in order to compete with imports, and rising prices at retail are making U.S. products more competitive. Manufacturers are in "Quick Response" programs backing up their products with faster deliveries and better customer service. Domestic competitiveness also involves the ability to generate short runs to fill smaller orders and achieve faster turnaround.

PRODUCTION

Information on domestic production as well as value of shipments are reported in the Current Industrial Reports issued by the Census Bureau, which are developed through mail surveys among all known U.S. manufacturers and jobbers, except very small firms (usually with fewer than five employees). Apparel items assembled overseas, but cut in the U.S., which are then sent back to the U.S. producers under the terms of the 807 Tariff regulation are included in the CIR reports, but not apparel items that are produced entirely abroad.

In the first quarter of 1988, production of women's apparel continued to decline, according to the CIR.

Production of Specified Women's & Girls' Sportswear
First Quarter 1988 Compared with 1987

	Unit of Measure	1st Qtr. 1988	1st Qtr. 1987	% Change 1987/88
Blouses, shirts (woven)	1,000 dozens	4,461	5,183	-13.9%
Knit T-shirts, tank tops	" "	1,615	2,301	-29.8
All other knit shirts, incl. sweatshirts	" "	3,218	3,088	+ 4.2
Separate suit-type jackets	1,000 units	5,216	4,889	+ 6.7
Skirts and divided skirts	" "	26,942	29,704	- 9.3
Slacks, jeans, sweatpants, etc.	" "	64,710	70,200	- 7.8
Shorts	1,000 dozens	1,927	3,595	-46.4
Sweaters	" "	1,260	1,734	-27.3
Warmup and jogging suits	" "	291	329	-11.6
Swimwear	" "	1,435	1,148	+25.0

Source: U.S. Department of Commerce;
Bureau of the Census: Current Industrial Reports, Selected Apparel MQ-23A

PRODUCTION

Summary of Production of Women's, Misses' & Juniors' Sportswear/Casual Wear: 1980, 1986, 1987
(Thous. of Dozens, unless otherwise specified)

	1987	1986(r)	1980	% Change 1987/86
Skirts*	104,731*	98,877*	69,261*	+ 5.9
Slacks, excl. dungarees & jeans*	127,998*	133,404*	155,755*	- 4.1
Jeans & dungarees*	87,445*	92,665*	68,522*	- 5.6
Blouses & shirts	27,851	29,320	35,538	- 5.0
Woven	19,722	21,458	15,831	- 8.1
Knit	8,129	7,862	19,707	+ 3.4
Sweaters	5,318	6,320	4,654	- 15.8
Activewear				
Sweat shirts	3,158	1,929	na	+ 63.7
Sweat pants	1,829	1,134	na	+ 61.3
Warm-up or jogging suits	1,261	837	443	+ 50.7
Swimsuits	2,996	3,051	2,026	- 1.8
Ski jackets, incl. ski vests	17	19	181	- 10.5
Ski pants	9	7		+ 28.6
Team sport uniforms	nr	244	na	--
Separate tailored suit type jackets*	16,502*	20,752*	21,451*	- 20.5
Nontailored outer jackets, excluding ski*	4,900*	4,903*	2,360*	- 0.1
Vests, excl. sweater vests*	696*	593*	1,881*	+ 17.4
Shorts, including jogging & tennis	2,507	2,081	1,942	+ 20.5
Playsuits, beach tops, halters and other playgarments	548	546	399	+ 0.4
Body suits & body shirts	73	240	na	- 69.6

(r) revised
* thousands of units
na not available

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Apparel MA-23A1A (Aug. 1988)

Construction/Fabric Type

Production of Specified Types of Sportswear/Casual Wear: 1986, 1987 By Construction/Fabric

	Production (Thous. of Units)	
	1987	1986
Skirts	100.0%	100.0%
All cotton and chiefly cotton	33.9	28.3
Manmade/wool blends, chiefly manmade	9.7	10.7
All manmade and chiefly manmade, except manmade/wool blends	38.2	38.9
All wool and chiefly wool	nr	8.8
All other fabric	1.0	3.2
Fabric n.s.k	nr	10.2

(continued)

PRODUCTION

Construction/Fabric Type (continued)

Production of Specified Types of Sportswear/Casual Wear: 1986, 1987 By Construction/Fabric
(continued)

	Production (Thous. of Units)	
	1987	1986
Pants		
Slacks, except dungarees and jeans	100.0%	100.0%
All cotton and chiefly cotton	33.6	29.5
Manmade/wool blends, chiefly manmade	12.8	13.5
All manmade and chiefly manmade, except manmade/wool blends	41.0	39.9
All wool and chiefly wool	3.1	2.7
All other fabric	1.3	0.8
Fabric, n.s.k	8.0	13.6
Jeans and dungarees	100.0%	100.0%
All cotton and chiefly cotton	81.6	84.1
All manmade and chiefly manmade	17.1	14.1
Fabric n.s.k.	1.3	1.8
Woven blouses and shirts	100.0%	100.0%
All cotton and chiefly cotton	37.1	31.4
All manmade and chiefly manmade	49.9	53.7
All silk and chiefly silk	0.3	0.4
All wool and chiefly wool	0.2	0.1
All other fabric	8.6	10.4
Fabric n.s.k.	3.8	3.8
Knit shirts & blouses:		
Knit T-shirts and tank tops made for outerwear (incl. long sleeve shirts)	100.0%	100.0%
All cotton and chiefly cotton	44.5	38.0
All manmade and chiefly manmade	31.1	31.1
Fabric n.s.k	24.4	30.9
All other knit shirts	100.0%	100.0%
All cotton and chiefly cotton	32.1	24.4
All manmade and chiefly manmade	48.8	44.5
All wool & chiefly wool	nr	nr
All other fabric, n.s.k.	nr	nr
Fabric n.s.k.	16.9	28.9
Sweaters	100.0%	100.0%
All cotton and chiefly cotton	44.3	39.4
All manmade and chiefly manmade	43.0	50.5
All wool and chiefly wool	4.3	3.0
All other fabrics	8.3	7.1
Active Sportswear:		
Sweat shirts	100.0%	100.0%
All manmade and chiefly manmade	95.6	96.6
Fabric, n.s.k.	nr	nr
Sweat pants	100.0%	100.0%
All cotton and chiefly cotton	nr	nr
All manmade and chiefly manmade	nr	nr

(continued)

PRODUCTION

Construction/Fabric Type (continued)

Production of Specified Types of Sportswear/Casual Wear: 1986, 1987 By Construction/Fabric (continued)

	Production (Thous. of Units)	
	1987	1986
Warm-up or jogging suits	100.0%	100.0%
All cotton and chiefly cotton	42.0	15.1
All manmade and chiefly manmade	56.2	78.9
Fabric n.s.k.	1.8	6.1
Swimsuits	100.0%	100.0%
All cotton and chiefly cotton	5.4	5.5
All manmade and chiefly manmade	92.3	91.4
Fabric,n.s.k.	2.3	3.1
Ski jackets, including ski vests	nr	nr
Ski pants	nr	nr
Team sports uniforms	nr	nr
Separate tailored suit-type jackets	100.0	100.0%
All cotton and chiefly cotton	12.2	12.6
Manmade/wool blends, chiefly manmade	20.9	13.7
All manmade and chiefly manmade, except made/wool blends	32.6	33.2
All wool and chiefly wool	10.6	13.8
All other fabrics	1.1	1.6
Fabric, n.s.k.	22.6	25.1
Nontailored outer jackets, excluding ski	100.0%	100.0%
All cotton and chiefly cotton	25.4	21.2
All manmade and chiefly manmade	50.7	51.8
All wool & chiefly wool	nr	nr
All other fabric	nr	nr
Fabric, n.s.k.	13.9	22.6
Vests, excluding sweater and coat vests	100.0%	100.0%
All cotton and chiefly cotton	nr	nr
All manmade and chiefly manmade	28.3	38.6
All wool and chiefly wool	nr	nr
Fabric, n.s.k.	63.5	46.2
Shorts, including jogging and tennis	100.0%	100.0%
All cotton and chiefly cotton	68.0	61.4
All manmade and chiefly manmade	17.2	22.3
All other fabric	nr	nr
Playsuits, beach tops, halters, and other playwear	100.0%	100.0%
All cotton and chiefly cotton	78.1	66.1
All manmade & chiefly manmade	18.1	20.0
Fabric, n.s.k.	3.8	13.9
Bodysuits & body shirts	100.0%	100.0%
All cotton and chiefly cotton	nr	nr
All manmade & chiefly manmade	86.3	92.5
Fabric, n.s.k.	nr	nr

nr not reported
n.s.k. not specified by kind

Source: U.S. Bureau of the Census:
Current Industrial Reports, Apparel MA23A1A

PRODUCTION

Construction/Fabric Type (continued)

Despite price increases, consumer preference for natural fibers has fueled the use of cotton in apparel. While the total market on a fabric weight basis for all women's apparel declined 0.8% in 1987, cotton increased a record 10.4% and cotton's share of fiber consumption in women's apparel rose from 35% to 39%. For the first 4 months of 1988, cotton's share of fibers in all women's apparel increased to 40% from 37% in the first quarter, 1987.

Cotton's Percent of Fabric Weight
In Women's Sportswear

	1987	1986
Jeans	91%	92%
Shorts	63	55
Shirts	56	53
Skirts	42	32
Slacks	42	35
Outer Jackets	38	35
Blouses	38	35
Sweaters	27	25

Source: Cotton Inc.

PRODUCT SHIPMENTS

In contrast with the value of "Industry Shipments" which have been covered in the section on GENERAL INDUSTRY STATISTICS, and defined on page 4, Product Shipments covers the value of specific products made by all manufacturers with payroll, including those classified within the industry (primary producers) and those classified in other, unrelated industries (secondary producers), based on their primary products.

The Department of Commerce has analysed the value of product shipments in terms of current dollars and in constant (1982) dollars to eliminate the effects of inflation, (which accounted for a major share of gains since 1972).

Trends in the Value of Shipments of
Women's, Misses' & Juniors' Blouses

	Compound Annual % Change	
	1972 - 1985	1980 - 1985
Shipments:		
Current $	+ 9.2%	+ 3.8%
1982 $	+ 3.8	- 2.5

Source: U.S. Department of Commerce:
U.S. Industrial Outlook 1988

Information on product shipments is collected in detail in the complete census of manufactures compiled by the U.S. Department of Commerce, Bureau of the Census, every five years, the latest reports covering operations in 1982. In intercensal years, the Census Bureau compiles information on product shipments in summary form in annual surveys based on a representative sample of manufacturers with payroll.

In the 1986 annual survey, the value of domestic shipments of women's, misses' & juniors' blouses increased 5.9% in current dollars over the 1985 total. This increase was attributed to an 8% gain in the value of exports, and it reversed the downward trend in shipment value noted since 1983.

PRODUCT SHIPMENTS

A more detailed list of apparel items is released in Current Industrial Reports, issued annually by the Census Bureau and developed through surveys among all known U.S. manufacturers and jobbers, except very small firms. Apparel items assembled in the Caribbean Basin and Mexico, but cut in the U.S., which are then sent back to the U.S. producers under the terms of the 807 Tariff regulation, are included in the CIR reports but not apparel items that are produced entirely abroad.

Shipments of reported items of women's sportswear/casual wear rose only 1.8% in 1987 compared with 1986. Women's, misses' and juniors' woven blouses and shirts, declined 6.9% in 1987, but knit blouses and shirts (excluding sweatshirts) increased 11.1% in shipment value.

Value of Shipments of Reported Women's, Misses' & Juniors' Sportswear/Casual Wear 1986, 1987
(Mil. of Dol.)

	1987	1986(r)	1980	% Change 1987/86
Sportswear/casual wear, total	$9,078.2	$8,921.0	$6,586.2	+ 1.8%
Tops:	3,332.6	3,450.2	2,903.7	- 3.4
Blouses & shirts, woven	2,001.1	2,149.3	2,537.0	- 6.9
Blouses & shirts, knit, exc. sweat shirts	739.1	665.0		+ 11.1
Knit T-shirts & tank tops	205.6	109.0		+ 88.6
All other knit shirts, exc. sweat shirts	533.5	556.0		- 4.0
Sweaters	592.5	635.9	366.7	- 6.8
Jackets & vests:	664.2	742.1	553.9	- 10.5
Separate tailored suit-type jackets	541.0	618.2	473.6	- 12.5
Nontailored outer jackets, except ski	112.8	111.6	58.3	+ 1.1
Vests, exc. sweater vests	10.4	12.3	22.0	- 15.5
Bottoms:	3,930.9	3,727.7	2,652.1	+ 5.5
Skirts	1,410.0	1,277.9	747.6	+ 10.3
Slacks, exc. jeans & dungarees	1,462.5	1,358.0	1,312.7	+ 7.7
Jeans & dungarees	1,058.4	1,091.8	591.8	- 3.1
Active sportswear:	895.2	788.0	349.3	+ 13.6
Sweat shirts	174.5	118.6	na	+ 47.1
Sweat pants	96.2	69.2	na	+ 39.0
Warm-up or jogging suits	120.5	79.8	42.5	+ 51.5
Swimsuits	471.3	444.2	244.6	+ 6.1
Ski jackets, incl. vests	17.5	19.3	62.2	- 9.3
Ski pants	7.7	5.5		+ 40.0
Team sports uniforms	na	15.2	na	na
Body suits and body shirts	7.1	36.2	na	- 80.4
Playgarments:	255.3	213.0	127.2	+ 19.9
Shorts, incl. jogging and tennis	207.2	174.9	101.4	+ 18.5
Playsuits, beach tops, halters & other playwear	48.1	38.1	25.8	+ 26.3

(r) revised

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Apparel MA23A1A

PRODUCT SHIPMENTS

The share of specific product shipments accounted for by the largest companies is compiled in the complete census of manufactures. Data for 1987 will not be available until 1990. Because of fashion's influence in tops, smaller manufacturers of blouses, shirts, etc., held a bigger share of U.S. industry shipments than noted in other apparel categories, according to the 1982 census.

Share of Specified Women's, Misses' & Juniors' Sportswear/Casual Wear Shipments By the Largest U.S. Manufacturers, 1982

	Product Shipments (Mil. $)	% of Value Accounted for by Largest Companies			
		Top 4	Top 8	Top 20	Top 50
Knit sport shirts*	$ 678.1	19%	32%	51%	72%
Blouses, shirts	2,533.9	12	18	31	51
Pants, incl. jeans	2,591.2	26	37	53	71
Skirts, jackets	2,351.2	23	32	48	65
Swim suits	387.1	33	52	84	99

* Made in cut-and-sew shops using knitted fabrics. (Other knit shirts are made in knitting mills, and comparable data is not available.)

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Concentration Ratios in Manufacturing MC82-S-7

Leading States

The 1982 census is the latest source of information on the value of shipments by manufacturers in each state.

Value of Shipments By All Producers of Specified Women's Sportswear/Casual Wear in Leading States: 1982
(Mil. of Dol.)

	1982	
	Value	%
Women's, misses' & juniors'		
Knit sport shirts, U.S. total	678.1	100.0%
New York	221.0	32.6
California	106.9	15.8
Florida	52.3	7.7
Pennsylvania	41.8	6.2
New Jersey	41.4	6.1
Blouses & shirts, U.S. total	2,533.9	100.0%
New York	812.4	32.1
California	725.4	28.6
Pennsylvania	187.3	7.4
North Carolina	140.9	5.6
New Jersey	118.5	4.7
Contract work on blouses & shirts, U.S. total	713.4	100.0%
Pennsylvania	177.0	7.0
California	86.5	3.4
New York	64.2	2.5
South Carolina	60.2	2.4
North Carolina	43.4	1.7

(continued)

PRODUCTION SHIPMENTS

Leading States (continued)

Value of Shipments By All Producers of Specified Women's Sportswear/Casual Wear in Leading States: 1982
(Mil. of Dol.)
(continued)

	1982	
	Value	%
Swimsuits, U.S. total	$ 387.1	100.0%
California	188.7	48.7
New York	97.5	25.2
Pants, U.S. total	2,591.2	100.0
New York	810.3	31.3
California	346.4	13.4
Texas	207.7	8.0
Georgia	190.0	7.3
North Carolina	129.0	5.0
Outerwear, n.e.c., U.S. total	643.7	100.0
New York	180.9	28.1
California	126.9	19.7
New Jersey	32.5	5.0
Texas	27.2	4.2
Florida	25.1	3.9
Contract work on outerwear, U.S. total	$ 780.9	100.0
New York	115.5	14.8
Pennsylvania	93.3	11.9
California	73.5	9.4
Texas	63.2	8.1
Tennessee	59.5	7.6
Sweaters, knit jackets & jerseys, U.S. total	817.6	100.0
New York	255.2	31.2
Pennsylvania	241.4	29.5
North Carolina	86.5	10.6
New Jersey	56.4	6.9
Knit outerwear sport shirts, U.S. total	1,008.2	100.0
North Carolina	326.2	32.4
Pennsylvania	103.3	10.2
New York	55.0	5.5
Other knit outerwear products, U.S. total	856.6	100.0
Pennsylvania	262.8	30.7
North Carolina	182.8	21.3
New York	71.3	8.3
Wisconsin	43.4	5.1

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Industry Series MC82-1-22B; MC82-1-23B

ADVERTISING EXPENDITURES

An estimated $173 million was spent on space and time in measured consumer media on national advertising in the sportswear classification in 1987 (including men's, women's and some children's), up only 3.0% from the year before according to the Newspaper Advertising Bureau. Women's items, of course, make up a high percentage of the advertising expenditure totals. It should be noted that this data does not account for some end-rate discounts to bulk purchasers of TV time and excludes production costs. Local advertising by retailers is not included.

The biggest dollar gain by media in 1987 was in outdoor advertising, up 33.9%. National advertising on bathing suits and beachwear gained 43.6% in the reported total with spot TV up a whopping 157%. Magazines, the media where the most advertising dollars were spent in all three sportswear classifications, grew 41.9%. Exercise and athletic wear ad spending increased 23.6% with network cable TV more than tripling.

National Advertising Expenditures on Men's & Women's Sportswear In Seven Measured Media, 1986, 1987

(Space as time costs in Thous. of Dol.)

	Sportswear			Bathing Suits & Beachwear		
	1987	1986	% Change 1987/86	1987	1986	% Change 1987/86
Total*	$173,182.1	$168,110.8	+ 3.0	$1,814.6	$1,263.3	+ 43.6
Magazines	97,092.9	85,745.2	+ 13.2	1,582.4	1,115.2	+ 41.9
Network TV	33,919.7	30,072.0	+ 12.8	na	na	--
Spot TV	23,192.5	27,492.1	- 15.6	57.3	22.3	+157.0
Cable TV	8,206.9	10,188.2	- 19.5	39.5	40.2	- 1.7
Newspaper Supplements	7,295.4	8,958.2	- 18.6	22.8	24.4	- 6.6
Network Radio	702.2	3,584.7	- 80.4	na	na	--
Outdoor	2,772.5	2,070.4	+ 33.9	112.6	61.2	+ 84.0

	Exercise & Athletic Wear		
	1987	1986	% Change 1987/86
Total*	$2,424.8	$1,961.8	+ 23.6
Magazines	2,059.3	1,636.0	+ 25.9
Network TV	na	na	--
Spot TV	260.2	280.4	- 7.2
Cable TV	77.9	16.8	+363.9
Newspaper Supplements	na	na	--
Network Radio	na	na	--
Outdoor	27.4	28.6	- 4.2

* Does not include newspaper and spot radio advertising.

Sources: Leading National Advertisers, BAR/LNA Multi-Media Service
Newspaper Advertising Bureau

ADVERTISING EXPENDITURES

Leaders in advertising expenditures for the sportswear categories were Guess Inc ($12.7 million), followed by Levi Straus ($31.1 million), and VF ($28.4 million). In the bathing suits and beachwear classification, Ujena allocated $414,500 in expenditures for 1987, up from $172,000 in 1986. Other major players were Jockey International, Ocean Pacific Sunwear, and Wickes. In 1987, Eaglewood (manufacturer of Danskin) was the leading spender for consumer advertising in exercise and athletic wear, with $367,700 in reported expenditures in measured media, a 78% increase from 1986. Dance France was second, followed by Leslie Fay, and Sport Obermeyer.

PRODUCER PRICE INDEXES

Domestic

The producer (factory) price for all women's apparel rose an average 3.0% between June 1987 and 1988 while the index for all commodities was up 3.8%. The largest price increase in women's sportswear categories was in skirts, up 10.1% reversing the downward trend in 1987. Average producer prices for sweaters, jackets & jersey's, however, recorded a decline of 1.3%.

Rising production costs, as well as a more competitive stance taken by some manufacturers in reaction to costlier imports, have resulted in escalating prices in most apparel classifications.

Producer (Factory) Price Indexes for Selected Types of Women's Sportswear & Separates:
June 1988, December 1987, Annual Average 1987
(1982 = 100 unless otherwise specified)

	Index		% Change		Index
	June 1988(p)	December 1987	June 1988/87	December 1987/86	Annual Avg. 1987
All commodities	106.5	104.2	+ 3.8%	+ 4.4%	102.8
All apparel	111.7	109.9	+ 3.3	+ 2.6	108.4
Women's, misses' & juniors' apparel	111.8	9.5	+ 3.0	+ 1.6	108.4
Skirts, including uniform	122.7	113.4	+10.1	- 3.6	110.8
Slacks, jeans & dungarees (12/84 = 100)	99.3	99.0	+ 0.9	- 1.1	98.7
Blouses & shirts, except knit sport & sweat shirts	139.2	133.2	+ 5.3	+ 1.9	132.0
Sweaters, jackets & jerseys (12/84 = 100)	106.4	105.3	- 1.3	+ 4.3	104.7
Knit outerwear sport shirts, incl. sweatshirts	130.8	130.6	+ 3.1	+ 3.1	127.3
Bathing suits	111.1	118.9	+ 1.3	+ 5.6	117.0
Leather coats, jackets (12/85 = 100)	115.6	112.1	+ 5.0	+ 5.0	110.0

na not available
(p) preliminary

Source: U.S. Department of Labor,
Bureau of Labor Statistics

FOREIGN TRADE

Import Prices

Devaluation of the U.S. dollar did not have an immediate impact on the newly industrialized countries which are major sources of imports for apparel items, particularly sportswear. However, the currencies of three of the Nation's major trading partners--Singapore, South Korea, and Taiwan--rose 8.8%, 8.8%, and 24.1%, respectively, in 1987. Taiwan had both the largest overall trade surplus and the largest currency appreciation vis-a-vis the U.S. of any of the newly industrialized countries.

As of June 1988, the apparel import price index compiled by the U.S. Bureau of Labor Statistics registered a 5.1% gain over the June 1987 index. For women's and children's outergarments, the gain from June 1987 to June 1988 was 2.3%; for blouses, import prices were up 12%. The indexes are based on prices paid by the U.S. importer in U.S. dollars.

Import Prices Indexes & Percent Changes

	Index			% Change		
	Base Period =100	June 1988	Dec. 1987	June 88/ June 87	June 88/ March 87	June 88/ Dec. 87
Clothing, total	1985	114.8	112.3	+ 5.1%	- 0.7%	+ 2.2%
Women's & children's outerwear	Sept. 1986	108.5	114.1	+ 2.3	- 0.2	- 4.9
Blouses	1985	120.9	112.1	+12.0	+ 1.4	+ 7.9

Source: U.S. Department of Labor, Bureau of Labor Statistics: U.S. Import & Export Price Indexes (Quarterly releases)

Historical Trends

An overview of trends in imports and exports of blouses by the International Trade Administration highlights the typical developments in sportswear: while still at historically high levels, the rate of gain in imports has slowed down, while exports--helped by the decline in the value of the dollar--are registering better gains than in recent years.

Trends in Value of Blouse Imports & Exports

	% Change			
	Compound Annual		Annual	
	1972-85	1980-85	1985-86	1986-87
Women's, misses' blouses				
Value of imports	+ 20.8%	+ 21.9%	+ 21.1%	+ 11.0%
Value of exports	+ 19.9	- 5.0	+ 40.0	+ 20.1

Source: International Trade Administration
U.S. Industrial Outlook 1988 (U.S. Department of Commerce)

FOREIGN TRADE

Relative changes in imports vs. exports in 1987 compared with 1986 were reported by the U.S. International Trade Administration as follows:

Percent Change: 1987 Compared with 1986

	Imports	Exports
Sweaters, total		
Quantity	- 5%	- 29%
Value*	+ 9	+ 14
Shirts, blouses (women's & children's)		
Quantity	+ 2	+ 27
Value*	+ 18	+ 19
Slacks, shorts (women's & children's)		
Quantity	+ 28	+ 75
Value*	+ 35	+ 52
Leather wearing apparel, total (except gloves & headwear)		
Quantity	+ 20	+ 52
Value*	+ 52	+ 69

* Imports values are based on customs value (price paid not including insurance, freight, duties and other charges involved in shipping). Export values are based on f.a.s. value, U.S. port of export.

Imports

Apparel imports started to slow down in 1987 due to the sharp decline in retail sales in the U.S. At mid-year 1987, apparel imports were up 12.6% in quantity, and 24.5% in value. However, for the year, they were up only 4.6% in quantity and 18.5% in customs value. In reported women's/children's sportswear classifications, the downturn in value of imports continued in the first quarter of 1988, except in skirts, as retail business remained very soft.

Percent Change in Value of Imports: January-March Period, 1988/1987

	Percent
Women's & children's	
Blouses	- 11.2%
Knit shirts	- 11.6
Sweaters	- 40.2
Skirts	+ 10.2
Playsuits	- 16.3
Slacks, shorts	- 13.9

Source: U.S. Department of Commerce, Bureau of the Census

Imports (continued)

Much of the 1987 growth of apparel imports resulted from a sharp rise in unit values. Higher prices resulted from: (1) the weak dollar, which raised the cost of imports to U.S. buyers; (2) tighter quotas on imports from some countries, which encourages suppliers to ship higher value merchandise to maximize profits; and (3) limited availabilities and higher raw material costs for some items.

More moderate slowdowns in quantity of imports were brought about by embargoes particularly affecting imports from China, and more restrictive bilateral agreements negotiated in 1986. Currently, as noted above, slowdowns in imports are attributable to weak consumer demand in the U.S.

Detailed information on imports in 1987 compared with 1986 by type of fiber are covered in the following table, showing the quantity and value of entries for immediate consumption, withdrawals from warehouses for consumption, and entries of merchandise into U.S. Customs territory from U.S. Foreign Trade Zones.

While the customs value of specified women's and children's sportswear imports for consumption gained 14.1% in 1987 compared with 1986, the increase in units was 24.7%. Imports of women's knit shirts were up 40.7% in value and 104.8% in units, primarily because of the continuing demand for cotton sweatshirts by women and juniors at the retail level. About 58% of the cotton shirts for women were subject to some form of import restraint, according to the International Trade Commission.

Imports of skirts increased by 33.7% in quantity in 1987 and by 41.1% in value to $769.8 million. This increase, which partly reflects the expected demand for miniskirts (which did not come up to expectations) occurred almost entirely in the quota-free and miscellaneous natural fiber skirts. The greatest quota-related shift in trade occurred with China, whose shipments declined as a result of embargoes. Offsetting the decline in shipments of skirts covered by quotas from the major suppliers (Hong Kong, Taiwan, and China) were significant increases in imports from Korea, India, Italy, and a number of smaller importers such as Thailand, the Dominican Republic and the Philippines.

Imports (continued)

Summary of U.S. Imports for Consumption of Women's & Children's Sportswear & Separates, 1986, 1987

	Quantity (Thous. Doz.)		% Change	Customs Value* (Thous. Dollars)		% Change
	1987	1986	87/86	1987	1986	87/86
Total, all reported categories	111,678.7	89,594.2	+ 24.7%	$5,918,616	$5,185,414	+ 14.1%
Blouses & shirts, total	65,124.3	45,292.1	+ 43.8	2,518,554	2,211,238	+ 13.9
Blouses	21,232.6	23,861.7	- 11.0	1,433,853	1,440,532	- 0.5
Cotton	10,237.1	10,791.5	- 5.1	587,655	545,007	+ 7.8
Wool or manmade	9,286.8	11,482.7	- 19.1	590,606	668,443	- 11.6
Silk	1,040.1	827.0	+ 25.8	172,526	140,410	+ 22.9
Knit, wool	668.6	760.5	- 12.1	83,066	86,672	- 4.2
Shirts, knit						
Cotton or manmade	43,891.7	21,430.4	+104.8	1,084,701	770,706	+ 40.7
Sweaters, knit	12,639.7	13,292.5	- 4.9	1,231,205	1,178,492	+ 4.5
Cashmere, whole or part	63.7	60.4	+ 5.5	38,505	32,984	+ 16.7
Sheep-like hair, (excl. cashmere)	167.3	193.7	- 13.6	28,076	29,187	- 3.8
Wool	1,565.9	1,658.7	- 5.6	259,722	256,056	+ 1.4
Manmade	9,304.4	9,913.1	- 6.1	728,193	699,565	+ 4.1
Cotton	1,538.4	1,466.6	+ 4.9	176,709	160,700	+ 10.0
Trousers, slacks & shorts	22,094.1	21,403.3	+ 3.2	1,317,877	1,171,572	+ 12.5
Cotton (excl. shorts)	9,128.1	8,673.7	+ 5.2	728,267	620,912	+ 17.3
Wool	237.4	305.2	- 22.2	46,444	55,935	- 17.0
Manmade	8,303.9	8,654.6	- 4.1	369,160	356,082	+ 3.7
Silk	26.9	69.8	- 61.5	4,469	12,584	- 64.5
Shorts, cotton	4,398.1	3,700.0	+ 18.9	169,537	126,059	+ 34.5
Skirts, total	8,705.9	6,509.6	+ 33.7	769,812	545,515	+ 41.1
Wool	365.9	407.9	- 10.3	60,417	76,050	- 20.6
Manmade	2,201.3	2,037.1	+ 8.1	199,556	160,421	+ 24.4
Cotton	4,237.3	2,574.8	+ 64.6	311,897	179,333	+ 73.9
Knit	2,001.4	1,489.5	+ 34.4	197,942	129,711	+ 52.6
Wool	239.2	280.2	- 14.6	44,863	42,916	+ 4.5
Cotton or manmade	1,762.2	1,209.3	- 45.7	153,079	86,795	+ 76.4
Playsuits, cotton	3,114.7	3,096.7	+ 0.6	81,168	78,597	+ 3.3

na not applicable

* Customs value is the purchase price and excludes all freight, insurance, duties and other charges incurred in bringing the merchandise to the U.S.

Source: U.S. Bureau of the Census: U.S. General Imports & Imports for Consumption FT 135, December 1986, 1987

Imports (continued)

Imports from the Caribbean Basin also continued their rapid growth. About 78% of these imports consisted of garments assembled in the Caribbean Basin and Mexico from U.S. fabricated parts and entering the U.S. under provision 807, which allows duties to be applied only to the value added in assembly abroad. Major Asian producers whose growth potential has been limited by tight U.S. quotas have increased investments in these areas, contributing to the growth of non-807 imports from the Caribbean Basin and Mexico.

The largest Caribbean suppliers--the Dominican Republic, Jamaica, Costa Rica, and Haiti, representing 81% of total apparel imports from Caribbean countries in 1987--have entered into the U.S.'s "special access program", known as 807-A. This program guarantees these suppliers and other eligible Caribbean countries greater access to the U.S. market for their products assembled with fabric both produced and cut in the U.S. A similar "special regime" has recently been created with Mexico, the largest supplier of apparel under the 807 provision.

Information on the quantity and value of "807" imports of specified women's wear has been separately reported by the Census Bureau for 1986, but not for 1987 (Apparel, Current Industrial Reports, MA23A(87)). However, 807 pieces are included in exports (which may be overstated). The "807" imports are also included in import data.

Quantity & Value of "807" Imports: 1985, 1986
(Quantity in thous. of dozens; Value in mil. of dollars)

	1986			1985		
	Quantity	Value of U.S. Content*	Total Value**	Quantity	Value of U.S. Content*	Total Value**
Women, Girls, Infants						
Total listed items	6,452	$160.5	$252.4	4,741	$136.1	$208.0
Sweaters	15	0.1	1.0	7	0.1	0.3
Blouses & shirts	3,130	65.0	115.0	2,181	55.7	91.9
Skirts	471	19.8	29.3	259	12.0	17.5
Slacks & shorts	2,725	72.8	103.1	2,177	65.3	94.2
Swimsuits	111	2.8	4.0	117	3.0	4.1

Note: "807" apparel is included in domestic output, imports, and exports. For explanation of this import classification, see above discussion.

* Represent the value of U.S. fabricated components.
** C.I.F. (cost, insurance, freight) value including the value of U.S. components and foreign processing.

Source: U.S. Bureau of the Census:
Current Industrial Reports MA23A (86)

FOREIGN TRADE

Imports (continued)

Using a different merchandise classification system (published in Census Bureau report IM146), the following data on imports for 1987 and 1986 was reported:

Quantity & Value of Imports For Consumption in the U.S.: 1986, 1987
(Quantity in thous. of dozens; Value in mil. of dollars)

	Quantity			Value (C.I.F.)*		
	1987	1986	% Change	1987	1986	% Change
Women, Girls, Infants Sportswear/casual wear						
Total listed items	138,324	129,783	+ 6.6	$10,688.3	$9,335.6	+14.5%
Sweaters	22,565	24,512	- 7.9	2,755.1	2,601.8	+ 5.9
Blouses & shirts	62,718	63,392	- 1.1	4,354.4	3,810.9	+14.3
Skirts	9,705	7,020	+ 38.3	1,105.9	749.1	+47.6
Slacks & shorts	41,918	33,408	+ 25.5	2,407.8	2,112.0	+14.1
Swimsuits	1,418	1,451	- 2.3	65.1	61.8	+ 5.3

* The C.I.F. value includes cost of merchandise plus insurance, freight, and other charges excluding U.S. import duties) involved in bringing the merchandise from the country of exportation to the first port of arrival in the U.S.

Source: U.S. Bureau of the Census:
Current Industrial Reports MA23A (87)

Exports

Much of any gains in exports have been attributed to the "807" program, and represent garments shipped unassembled to the Caribbean Basin and Mexico, then returned to the U.S. after assembly. U.S. exports have been helped by the cheaper dollar, which makes U.S. goods less expensive in terms of some foreign currencies.

Quantity & Value of Exports of Specified Apparel: 1986, 1987
(Quantity in thous. of dozens; Value in mil. of dollars at port)

	Quantity			Value (F.A.S.)*		
	1987	1986	% Change	1987	1986	% Change
Women, Girls, Infants Sportswear/casual wear						
Total listed items	5,254	3,772	+ 39.3%	$124.3	$95.3	+30.4%
Sweaters	26	42	- 38.1	1.4	1.6	-12.5
Blouses & shirts	2,676	2,102	+ 27.3	53.9	45.3	+19.0
Skirts	448	260	+ 72.3	17.0	11.0	+54.6
Slacks & shorts	2,000	1,149	+ 74.1	49.1	33.3	+47.5
Swimsuits	104	219	- 52.5	2.9	4.1	-29.3

* F.A.S: free alongside ship

Source: U.S. Bureau of the Census:
Current Industrial Reports MA23A (87)

FOREIGN TRADE

Imports Share of New Supply

According to an analysis of total U.S. market supply of key sportswear/casual wear classifications, compiled by the U.S. Bureau of the Census, 1987 imports (in terms of volume) represented 78.1% of total U.S. consumption of women's and children's sweaters, up from 64.4% in 1983. Of blouse and shirt consumption, imports accounted for 58% in 1987 compared with 33% four years earlier. The share held by imports in 1987 of total consumption of women's and children's slacks and shorts was 59.1% compared with 25.4% in 1983.

Apparent Consumption & Imports Share: 1985-1987

Women's, Girls', Infants' Sportswear/casual wear	Apparent Consumption*			% Accounted For By Imports		
	1987	1986	1985	1987	1986	1985
QUANTITY (thous. of dozens)						
Sweaters	28,905	32,186	31,256	78.1%	76.2%	72.0%
Blouses & shirts	108,230	108,725	97,024	58.0	58.3	51.7
Slacks & shorts	70,920	62,089	59,374	59.1	53.8	46.2
Skirts	18,799	15,739	12,902	51.6	44.6	33.2
Swimsuits	5,170	4,767	4,786	27.4	30.4	26.4
VALUE (thous. of dollars)						
Sweaters	3,422.5	3,321.8	2,988.6	80.5%	78.3%	77.0%
Blouses & shirts	7,850.9	7,417.0	6,572.1	55.5	51.4	44.4
Slacks & shorts	5,769.9	5,224.5	5,274.3	47.7	40.4	35.1
Skirts	2,567.7	2,069.3	1,687.6	43.1	36.2	25.7
Swimsuits	584.4	545.4	527.1	11.1	11.3	11.3

* Apparent consumption represents new domestic supply, and is derived by subtracting exports form the sum of U.S. manufacturers' shipments plus imports.

Source: U.S. Bureau of the Census: Current Industrial Reports MA23A(87)

In an analysis of domestic consumption by Kurt Salmon Associates, the following share of total units was attributed to imported merchandise in women's wear (only) classifications in 1987 compared with 1986:

Percent of Unit Purchases of Women's Sportswear Accounted For By Imports: 1986, 1987

	1987	1986
Women's		
Blouses & shirts (woven)	46%	46%
Tee/tank/polo shirts (knit)	58	58
Active sportswear	30	28
Sweaters	62	62
Slacks	27	24
Denim jeans	36	36
Skirts	28	25

Source: The KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group. (The Soft Goods Outlook for 1988 The KSA Perspective.)

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

One of the problems currently affecting women's sportswear sales is that recent fashion changes encompassing shorter hemlines, frivolous dressy looks, and close-fitting spandex outfits don't reflect the number of baby boomers now reaching their late 30's. The number of women in the 35-54 age bracket will climb 23% by 1995. Women 20-34 represent the largest segment of the adult female population in 1988, but they will be surpassed by the 35-54 year olds, who will represent 27.9% of all females in 1995, and 29.2% in 2005. The median age will increase from 33 and a half in 1988 to over 39 in 2005. In contrast, the number of 16-19 year olds will decline 9% and the 20-34 age group will drop 8.5% in number by 1995.

Estimated Female Population of the U.S. 1988 & Projections 1995*, 2005*
(Numbers in thousands, including Armed Forces overseas)

				% Change	% Distribution		
	1988	1995	2005	1995/1988	1988	1995	2005
Total all ages	125,911	133,191	141,381	+ 5.7%	100.0%	100.0%	100.0%
Under 16 years	27,574	29,481	28,365	+ 6.9	21.9	22.1	20.1
16 years & older	98,337	103,710	113,016	+ 5.5	78.1	77.9	79.9
16 - 19 years	7,161	6,517	7,708	- 9.0	5.7	4.9	5.5
20 - 34 years	31,141	28,497	26,497	- 8.5	24.7	21.4	18.9
35 - 54 years	0,236	37,190	41,249	+ 23.0	24.0	27.9	29.2
55 - 64 years	1,469	11,059	15,399	- 3.6	9.1	8.3	10.9
65 & over	3,330	20,447	21,954	+ 11.6	14.6	15.3	15.5
Median age	33.6	35.9	39.2	+ 6.8			

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels.

Source: U.S. Bureau of the Census
Current Population Reports,
P-25, No. 952

LARGE SIZE MARKET

The large-size apparel market represents an annual sales volume of approximately $7.5 billion at retail, almost 15% of total women's wear, according to Kurt Salmon Associates. Unit purchases of women's apparel in the 16-and-over size range have grown by 32% since 1982, compared with only 7% for purchases of all female apparel products.

In terms of retail distribution outlets, specialty stores are the leading channel and are much more important than the next strongest channels, national chain and department stores.

LARGE SIZE MARKET

Relative Strength of Outlets Selling Large-Size Women's Wear, 1986

	% of Large-Size Unit Sales	% of Total Women's Wear Unit Sales
Specialty Stores	20%	14%
National Chains	17	14
Department Stores	23	19
Discounters	26	30
All Others	14	23

Source: KSA/NPD Purchase Panel of 11,500 households

Whereas 45% of all women's apparel is purchased by customers over 45 years of age, 56% of all large-sized garments are bought by that age group.

Distribution of Unit Purchases of Apparel By Age of Customer Large-Sized Versus All Women

Customers' ages	% of Large-Size Unit Purchases	% of Total Women's Wear Unit Purchases
Less than 35	26%	32%
35-44	18	23
45-54	19	15
55-64	16	12
65 or Over	21	18

Source: KSA/NPD Purchase Panel of 11,500 households

CONSUMER EXPENDITURES

In order to collect a continuous flow of information on purchases to be used in periodic revisions of the Consumer Price Index base, an on-going survey of a representative sample of consumers is conducted by the Census Bureau for the Bureau of Labor Statistics.

CONSUMER EXPENDITURES

The Bureau of Economic Analysis, Department of Commerce, on the other hand, compiles figures on total personal consumption expenditures by major product classification. Drawing on the pattern in spending for specific types of women's wear reported by the BLS, and applying this formula plus trade data to BEA based spending totals results in the following estimates of expenditures for specific types of women's sportswear. This covers the value at retail of merchandise reaching the consumer, including non-retail channels as well as retail outlets.

Estimated Personal Consumption Expenditures: 1987

	Billions of dollars	Percent
Women's wear expenditures, total	$ 78.7	100.0%
Specified sportswear/casual wear, total	43.1	54.8
Sweaters	10.2	13.0
Blouses & shirts	14.7	18.7
Skirts	6.0	7.6
Slacks/jeans	8.1	10.3
Shorts	1.5	1.9
Activewear	2.6	3.3

Source: Estimates based on Bureau of Economic Analysis and Bureau of Labor Statistics reports; trade sources.

The BLS Consumer Expenditure Survey in 1986 included information on the average percent of households in the U.S. who purchased one or more of the specified women's wear items in any quarter of 1986, and the average amount spent per quarter.

Quarterly Average Expenditures By U.S. Households For Specified Women's Sportswear/Casual Wear: 1986

	Quarterly Average	
	% of Households Purchasing	Amount Spent
Apparel for women age 16 & over, total	59.0%	$168
Sweaters, sets & vests	15.7	60
Blouses & shirts	25.1	46
Skirts, culottes	10.3	45
Slacks, dungarees	19.8	48
Shorts, short sets	7.0	31
Sportswear (activewear)	8.4	43

Source: U.S. Bureau of Labor Statistics: 1986 Consumer Expenditure Survey

BLS findings on the pattern in household spending by income group and by region are summarized in the following tables.

CONSUMER EXPENDITURES

Percent Distribution of Expenditures for Women's Sportswear By Income Before Taxes, 1986

	% of Consumer Units Reporting Income	Sweaters	Slacks Jeans	Shorts & Sets	Sportswear
Total	100.0%	100.0%	100.0%	100.0%	100.0%
$40,000 & Up	19.9	40.3	33.3	41.2	43.8
$30,000 - $39,999	12.6	15.3	15.1	14.8	13.5
$20,000 - $29,999	16.7	15.6	17.6	14.5	15.6
$15,000 - $19,999	10.2	7.3	9.7	8.2	8.6
$10,000 - $14,999	12.5	7.4	8.5	6.5	6.0
$ 5,000 - $ 9,999	15.9	7.3	8.3	7.1	6.4
Less than $5,000	12.3	6.8	7.5	7.7	6.1

Percent Distribution of Expenditures for Women's Sportswear By Region, 1986

	% of Consumer Units	Sweaters	Slacks Jeans	Shorts & Sets	Sportswear
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	21.2	23.2	24.1	22.6	21.4
Midwest	25.2	29.3	27.8	24.4	23.7
South	34.0	29.9	28.4	37.1	31.0
West	19.6	17.6	19.6	15.8	24.0

Source: U.S. Bureau of Labor Statistics: Consumer Expenditure Surveys

CONSUMER PRICE TRENDS

Reflecting increases in the price of imported apparel as well as in domestic products, retail prices for women's apparel were up 6.1% in the twelve months ending in May 1988 compared with a 3.9% increase for the overall Consumer Price Index over the same period. Women's separates and sportswear prices increased 4.5% during this period.

Consumer Price Indexes for Selected Women's Apparel Items 1986, 1987 Annual Average, May 1987, 1988
(1982-84 = 100 unless otherwise specified)

	May		Annual Average		
	Index	% Change 1988/87	1987	1986	% Change 1987/86
All items	117.5	+ 3.9%	113.6	109.6	+ 3.6%
Apparel (not including footwear)	115.7	+ 5.1	109.6	104.7	+ 4.7
Women's apparel	118.7	+ 6.1	110.9	104.4	+ 6.2
Separates & sportswear	122.9	+ 4.5	115.6	108.2	+ 6.8
Coats & jackets	104.9	+ 5.0	100.9	95.1	+ 6.1

Source: U.S. Department of Labor,
Bureau of Labor Statistics

RETAIL SALES BY PRODUCT

Manufacturers are trying to determine how to add fashion to categories which are already casual in the extreme--such as fleece activewear or damaged denim jeans. Oversized loose styling in fleecewear is on its way out but closer fitting stretch garments are more evident, according to an analysis by Kurt Salmon Associates. Overall, however, estimated unit sales for women's wear rose 5% in 1987, but are expected to increase only 2% in 1988.

Activewear and t-shirts were the brightest areas in sportswear markets, with each category increasing 22% in 1987 in terms of units. However, these items will not perform as well in 1988. Skirts were up 19%, however, and are expected to register the biggest overall increase in 1988 (8%), according to KSA.

Percent Change in Unit Purchases of Women's Sportswear Consumption, 1984 - 1988

	Forecast	Estimated	Actual	
	1988/87	1987/86	1986/85	1985/84
Women's wear, total	+ 2%	+ 3%	+ 3%	0
Blouses/shirts (woven)	0	- 8	+ 6	- 1
Tee/Tank/Polo (knit)	+ 7	+ 22	+ 10	- 14
Sweaters	0	0	+ 17	+ 14
Slacks	- 2	- 2	+ 5	+ 4
Denim Jeans	- 2	- 2	- 1	+ 1
Skirts	+ 8	+ 19	+ 21	- 5
Active Sportswear	+ 5	+ 22	+ 38	+ 20

Source: Kurt Salmon Associates:
Softgoods Outlook, 1988
(Based on the KSA/NPD purchase panel of 11,500 households.)

According to an analysis of consumer purchases by the MRCA Soft Goods Information Service Group, sweaters have been one of the brighter areas within the women's sportswear industry. In 1987, 13% of all women's clothing dollars were spent on sweaters--the biggest single category. It is a $7 billion business and showed growth of almost 8% over 1986. The real winners in women's sportswear, however, were shirts, up 31.8%; skirts, up 15.8%; and activewear, up 27.9%. In contrast, purchases of blouses and slacks dropped by 7.8% and 1.3% respectively.

Percent Change in Expenditures On Specified Women's Sportswear: 1986-1987

Women's Wear Total	+ 3.5%
Activewear	+27.9
Blouses	- 7.8
Shirts	+31.8
Sweaters	+ 7.6
Skirts	+15.8
Slacks	- 1.3
Jeans	+ 1.8
Shorts	+11.6

Source: MRCA Soft Goods Information Service

(See section on CONSUMER PURCHASE PATTERNS for more detailed information on sportswear purchases as tracked through purchase diaries.)

RETAIL SALES BY STORE TYPE

The latest official figures on merchandise line sales by store type are found in the 1982 Census of Retail Trade which is currently being updated by the Census Bureau to cover 1987 results.

The distribution of total retail sales of women's and children's wear--of which sportswear/casual wear is a major component--has been estimated by the International Ladies Garment Workers Union (ILGWU) as noted in the table below. Discount department stores/mass merchandisers are included in the department store classification (based on their merchandise mix of hard and soft lines), and the increase in market share noted for the department store group is due to these stores.

Share of Retail Outlet Sales By Outlet Type: 1982, 1984, 1987

	1987	1984	1982
Women's and children's wear, total	100.0%	100.0%	100.0%
Department stores	42.2	42.8	41.4
Women's specialty stores	34.7	33.3	35.3
Family clothing stores	11.0	11.0	11.0
Other retail outlets	12.0	12.9	12.3

Source: ILGWU: Conditions in the Women's Garment Industry (June 21, 1988)

Retail sales of women's wear began to sag in mid-1987, and this has continued in the first half of 1988. Measured in real terms to take price increases into account, sales of women's and children's wear were up only 0.1% in 1987, and registered a 2.1% decline in the first five months of 1988, according to the ILGWU Research Department. The retailer response has been increased caution in ordering, with cutbacks in imports and to a less extent, domestic sourcing, to minimize inventory buildup.

Recent merger and acquisition activity among retailers is affecting the buying and merchandising of apparel, and new patterns are emerging. According to MRCA, discounters, off-price outlets and specialty stores each increased their dollar sales of apparel by about 8% during the first quarter of 1988, while department stores were flat. Mail order has been showing increased strength in the distribution channel, rising from 3.2% of women's apparel sales in 1985 to 4.2% in 1987, according to KSA/NPD.

Department Stores

According to the Census Bureau, the number of department stores in operation in the U.S. totaled 9,982 in 1985, about the same number as in 1982. Total sales (in current dollars) increased from $107.2 billion in 1982 to $151.7 billion in 1987. Discount department stores accounted for 45% of the 1987 total volumne national chains, 24%. In 1982, discount department stores represented 37.3% of the department store total; department stores operated by national chains (Sears, Ward Penney) accounted for 28%. The remaining cut of the pie was held by conventional department stores.

Department Stores (continued)

Total discount department store sales rose 10.7% in the first half of 1988, according to the Census Bureau. This compares with a 4.4% decline in total sales of national chain department stores, and a 2.5% rise in sales of conventional department stores.

Annual merchandising and operating results in department stores are compiled by the National Retail Merchants Association based on reports from member companies.

Selected Merchandising & Operating Results In Department Stores With Total Annual Sales Over $2 Million, 1988

(Median results)

	Total Annual Sales Over $2 Million		
	Total Female Sportswear	Women's, Misses' Sportswear	Junior Sportswear
Number of firms reporting	59	58	59
Net sales % change from last year	+12.0%	+ 12.5%	+ 10.9%
Sales % to total store	20.2	14.2	4.1
$ sales per sq. foot of selling space	$138.0	$148.5	$126.5
Cumulative markon, %	52.8%	52.6%	52.8%
Gross margin, % of sales including cash discounts	43.0	42.8	43.1
Markdowns, retail, % of sales	28.3	27.5	27.3
Number of stock turns	3.6	3.6	3.6
Salespeople's salaries, % of sales	5.6%	5.8%	6.6%
Advertising % of sales	2.3	2.2	2.8

Source: National Retail Merchants Association:
"Merchandising & Operating Results"
(1987 Edition)

Specialty Stores

According to the 1982 Census of Retail Trade, reported items of women's sportswear/casual wear in women's wear stores amounted to $8.3 billion or 41% of total store sales. In family clothing stores, women's sportswear sales amounted to $3.0 billion, or 23% of total store sales.

The latest count on the number of women's ready to wear stores showed a total of 44,443 in operation (County Business Patterns 1985, U.S. Bureau of the Census), compared with 44,163 in 1982. Total sales in 1987 amounted to $28.2 billion, up 55% over the 1982 total in current dollars. The Census Bureau reported 16,643 family clothing stores in operation as of 1985. Total sales in this store group amounted to $19.4 million in 1987, a gain of 42% over 1982.

The NRMA reports the typical (median) contribution of sportswear to total specialty store business in 1986 as noted below, plus other operating results based on reports from member stores.

RETAIL SALES BY STORE TYPE

Specialty Stores (continued)

Selected Typical (Median) 1986 Merchandising & Operating Results
In Specialty Stores With Total Annual Sales Over $1 Million, 1986

	All Adult Female Apparel	All Adult Female Sportswear	Women's & Misses' Sportswear	Juniors' Sportswear
Number of reporting companies	19	16	15	13
Net sales, % change from last year	+ 2.5%	7.1%	+ 10.1%	- 1.9%
Sales, % to total store sales	50.1	27.7	19.7	5.9
$ sales per sq. foot of selling space	$234.0	223.0	$252.0	$179.0
Cumulative markon, %	51.7%	52.6%	52.7%	53.6%
Gross margin, % of sales including cash discounts	41.4	41.9	41.7	42.3
Markdowns, retail, % of sales	23.7	30.4	29.3	28.3
Advertising, % of sales	2.4	2.3	2.3	2.5
Salespeoples salaries, % of sales	7.6	7.3	7.3	7.5
Number of stock turns	3.5	3.7	3.7	3.9

Source: National Retail Merchants Association,
"Merchandising & Operating Results" (1987 Edition)

Specialty retailers have outpaced department stores in the race for market share in women's wear in the past five years, due to their ability to respond more quickly to fashion changes, as well as to meet the needs of working women for better service and accessibility.

Large operations have taken advantage of the cost benefits of sourcing abroad, but this advantage is being lost due to changing exchange rates, as well as delivery problems and quota developments. Competition among the upscale stores has heated up with the proliferation of boutiques opened by designers.

Discount Stores

Discount stores accounted for total sales of women's apparel of $8.9 billion, a rise of 11.95%, on sales of $147 per square foot. Off-price apparel stores gained 16.5% in sales of women's clothes, according to Discount Merchandiser.

Discount Store Sales, 1987

	Sales (000)	% of Total
Total Sales of Women's Wear	$8,920,400	100.0%
Tops	3,116,800	34.94
Bottoms	1,423,700	15.96
Activewear	537,900	6.03
Outerwear	186,400	2.09

Source: Discount Merchandiser

RETAIL ADVERTISING

Examining the amount of advertising by retailers gives an idea of the seasonal distribution of sales. Although retailers devote most of their advertising to the fourth quarter, advertising for junior sportswear is influenced by the back to school season.

Percent of Year's Total Newspaper Linage Run By Retailers Each Month: 1986

	Junior Sportswear & Accessories	Sweaters & Knit Tops	Skirts	Woven Blouses & Shirts	Pants, Shorts & Jeans	Coats & Jackets
January	2.8%	3.8%	2.6%	2.8%	4.2%	6.7
February	5.2	5.1	10.7	6.4	6.6	7.1
March	7.4	6.7	11.2	10.4	8.4	7.6
April	8.4	8.5	8.7	10.5	11.1	4.1
May	5.7	8.1	7.1	11.2	12.9	2.9
June	6.6	4.9	5.0	5.8	7.7	1.8
July	5.3	4.9	6.0	5.0	7.1	3.1
August	22.6	9.1	9.3	7.8	9.1	7.6
September	7.0	9.6	11.8	8.7	7.5	8.8
October	7.6	11.0	11.0	9.6	8.0	15.0
November	9.9	14.1	9.6	11.5	9.1	18.6
December	11.5	14.2	7.0	10.3	8.3	16.7
Year	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: The Advertising Checking Bureau, Inc.,
Newspaper Advertising Bureau:
1988 Newspaper Advertising Planbook

CONSUMER PURCHASE PATTERNS

KSA/NPD Purchase Panel

The following information on purchases for women aged 14 years and older for the years 1987 and 1986 has been supplied by Kurt Salmon Associates and the NPD Group. The KSA/NPD Purchase Panel consists of 11,500 households reporting monthly on their purchases of apparel.

Sweaters gained a whopping 24.6% in dollars (19.4% in units) and shorts were up 12.7% in dollars, but only 4.8% in units, demonstrating the effect of high prices. Blouses and shirts, grew only 5.9% to $9.2 billion, increasing only 2.4% in units.

CONSUMER PURCHASE PATTERNS

KSA/NPD Purchase Panel (continued)

Purchases of Women's Sportswear Items

	Dozen Units (Mil.)			Dollars (Mil.)		
	1987	1986	% Change 1987/86	1987	1986	% Change 1987/86
Total	1,430.5	1,366.0	+ 4.7	$20,553.1	$18,499.6	+ 11.1
Skirts	257.6	215.7	+ 19.4	4,975.3	3,991.8	+ 24.6
Shorts	105.5	100.6	+ 4.8	921.9	818.1	+ 12.7
Blouses/shirts	777.5	759.4	+ 2.4	9,264.0	8,749.9	+ 5.9
Sweaters	289.9	290.3	- 0.1	5,391.9	4,939.8	+ 9.2

Department discount and specialty stores remain the leading outlets for women's sportswear purchases, but the "other" category, including sporting goods stores, and warehouse clubs, has been gaining share.

Purchases of Women's Sportswear By Outlet
Percent of Units, 1986, 1987

	Skirts		Shorts		Blouses/Shirts		Sweaters	
	1987	1986	1987	1986	1987	1986	1987	1986
Total	100%	100%	100%	100%	100%	100%	100%	100%
Department Stores	25.7	18.9	18.3	17.1	19.2	20.6	22.3	22.3
Mass Merchandisers*	12.8	11.5	15.7	13.9	13.8	13.9	14.8	15.3
Discount Stores**	26.4	25.7	38.4	40.6	34.2	34.1	29.1	29.5
Specialty Stores	25.0	24.7	18.7	20.3	21.2	22.1	24.5	25.8
Mail Order	3.2	4.2	1.7	1.6	3.2	3.5	2.8	2.3
All Other Outlets	6.9	5.0	7.2	6.5	8.4	5.9	6.5	4.8

* Includes Sears/Penney/Ward/K-Mart
** Includes K-Mart/Other Discount/Off-price/Variety

Purchases of Women's Sportwear By Outlet
Percent of Dollars, 1986, 1987

	Skirts		Shorts		Blouses/Shirts		Sweaters	
	1987	1986	1987	1986	1987	1986	1987	1986
Total	100%	100%	100%	100%	100%	100%	100%	100%
Department Stores	29.8	33.1	24.1	21.7	24.3	25.2	25.5	25.9
Mass Merchandisers*	10.5	9.8	14.1	13.0	12.9	13.4	12.9	13.3
Discount Stores**	19.3	18.1	29.4	31.8	25.8	25.6	22.1	22.1
Specialty Stores	30.0	30.3	22.1	24.4	25.2	26.2	29.6	30.5
Mail Order	4.0	4.6	2.9	2.1	3.8	4.0	3.7	3.1
All Other Outlets	6.4	4.1	7.4	7.0	8.0	5.6	6.2	5.1

* Includes Sears/Penney/Ward/K-Mart
** Includes K-Mart/Other Discount/Off-price/Variety

Source: KSA/NPD Purchase Panel

CONSUMER PURCHASE PATTERNS

KSA/NPD Purchase Panel (continued)

In 1987, more units were purchased in the highest price ranges. For example, although 15.7% of sports shirts purchased in 1986 were priced at $20 to $29.99, 19.1% cost that much in 1987.

Purchases of Women's Sportswear By Price Point
Percent Dozen Units, 1986, 1987

	Year	Total	Less Than $8.00	$8 - $13.99	$14- $19.99	$20 - $29.99	$30 & Over
Skirts							
	1987	100%	13.3	26.1	25.2	19.1	16.3
	1986	100%	13.6	30.6	25.0	15.7	15.1

	Year	Total	Less Than $5.00	$5 - $8.99	$9 - $12.99	$13 - $16.99	$17 and Over
Shorts							
	1987	100%	25.7	33.7	22.9	9.4	8.3
	1986	100%	28.0	36.4	23.1	6.6	5.9

	Year	Total	Less Than $5.00	$5 - $8.99	$9 - $12.99	$13 - $16.99	$17 and Over
Blouses/ Shirts	1987	100%	12.6	27.2	26.8	13.5	19.9
	1986	100%	12.9	28.5	28.1	12.9	17.6

	Year	Total	Less Than $8.00	$8 - $13.99	$14- $19.99	$20 - $29.99	$30 & Over
Sweaters							
	1987	100%	16.4	28.2	27.1	17.0	11.3
	1986	100%	17.3	34.1	25.6	13.8	9.2

Although polyester dominates as the primary fiber used in skirts, shorts, and blouses/shirts, its use decreased in 1987 as demand rose for more natural fibers such as cotton.

CONSUMER PURCHASES BY PRODUCT

KSA/NPD Purchase Panel (continued)

Purchases of Women's Skirts By Fiber Content

	% Units	
	1987	1986
Total	100.0%	100.0%
Polyester dominant	41.8	51.0
100% Polyester	8.4	12.6
Polyester/cotton	19.6	20.1
Other polyester	13.8	18.3
Cotton dominant	31.1	24.4
100% cotton	27.6	19.0
Cotton/poly blends	3.0	4.6
Other cotton blends	0.5	0.8
Wool dominant	6.4	7.9
Rayon dominant	11.5	10.5
All other fibers	9.2	6.2

Purchases of Women's Shorts, Blouses/Shirts By Fiber Content

	Shorts % of Units		Blouses/Shirts % of Units	
	1986	1987	1986	1987
Total	100.0%	100.0%	100.0%	100.0%
Polyester dominant	46.8	59.4	55.5	60.0
100% polyester	2.1	5.1	15.2	18.2
Poly/cotton blend	42.0	49.8	36.2	37.0
Other poly blends	2.7	4.5	4.1	4.8
Cotton dominant	46.0	32.4	37.7	33.3
100% cotton	40.3	24.7	29.0	22.6
Cotton/poly blends	5.4	7.6	8.1	9.9
Other cotton blends	0.3	0.1	0.6	0.8
All other fibers	7.2	8.2	6.8	6.7

Purchases of Women's Sweaters By Fiber Content

	% of Units	
	1986	1987
Total	100.0%	100.0%
Polyester dominant	4.3	4.7
Cotton dominant	19.9	20.7
100% cotton	16.6	16.4
Other Cotton	3.3	4.3
Wool dominant	6.1	6.0
Acrylic dominant	40.4	40.9
100% acrylic	31.6	32.7
Acrylic blends	8.8	8.2
Ramie dominant	22.4	18.5
All other fibers	6.9	9.2

Source: KSA/NPD Purchase Panel

CONSUMER PURCHASE PATTERNS

Slacks

Over the past three years, the market for women's slacks has been growing faster in the higher income brackets than in the medium and lower brackets, according to MRCA Information Service. Women in households earning over $35,000 a year purchased 34% of the units sold in 1985, increasing to 38% in 1986, and shooting up to 41% last year.

Dollar sales to these women have climbed at a considerably faster rate; from 38% share of market in 1985, to 43% in 1986, and 46% in 1987--adding up to a 21% increase over two years. In contrast, the overall women's slacks market has remained flat during this period.

The demand for slacks with fabrics of more comfortable and breathable natural fibers is escalating. Sales of 100% cotton slacks jumped from 18% to 23% of the market in 1987. Cotton/poly showed the same vitality, up from 13% to 17% of the market in 1987.

In 1987, upscale women shoppers spent the largest share (32%) of their slack dollars in department stores. However, just three years ago, department stores sales represented 38% of this market. During the same period, specialty stores enjoyed a small gain from 28 to 29% of dollars spent by affluents on slacks, although only 26% of all women shop in specialty stores.

Jeans

College age women wear jeans 49% of their waking hours, according to a survey by the Roper Organization for Levi Strauss & Co. 1,000 thousand male and female students were interviewed on 25 campuses around the country in April and May of 1987. The most popular kind of jeans were faded or worn, baggy or tight, with holes or rips. The brands of jeans perceived as most popular on campus for women were Levi's 501 and Guess (with 78% and 70% respectively with multiple responses available). Lee and Calvin Klein were rated much lower with 17% and 11% Wrangler, Jordache, Sergio Valente each received 6% or less.

Students were asked what apparel item they would purchase first if given $100 to start their wardrobe over from scratch. Blue jeans topped the list with 45% of the students. 19% said they would start by buying a blouse or shirt, and 12% would purchase a dress or slacks.

The majority of the students said there was "some pressure" to "not much pressure" on campus to be in style, though more than three quarters said their friends had the strongest influence on the style and types of clothing they wear.

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels. It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available 1986.)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers the market for products designed for the active sports participant, as well as athleisure activities and active apparel. Covers growth trends in specific sports and related products, including footwear and apparel, and developments in the fitness market.

SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible. (Latest edition available 1985).

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

TOILETRIES, COSMETICS, FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry statitistics, at the manufacturing and retail levels. The quantity and value of manufacturers' shipments, leading manufacturers, advertising expenditures are covered, as well as information on retail sales by product, consumer buying habits and price trends.

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR, RAINWEAR, AND FURS: Data for the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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